

INTEGRATED
REPORT 2021



Publication of the Integrated Report 2021

We are now in the third year of publishing our Integrated Report. In FY2019, the first edition of the report, we announced our long-term management initiative and the split of our railway business. In FY2020, the second year of the report, we announced our direction in light of the social changes caused by the spread of COVID-19 and featured growth strategies for Shibuya and the railway lines. In doing so, have consistently communicated the Group's vision of sustainable growth from a medium- to long-term perspective.

In this third year of the project, we delved deeper into the story of value creation, with a renewed determination to fulfill our responsibilities as a social infrastructure company, given the severe business environment, including the frequent declaration of emergency situations. In the short term, we have also formulated a new three-year medi-

um-term management plan starting this fiscal year in order to recover from the impact of COVID-19 and put the company back on a growth track under the new normal. This report has been edited with a focus on the unchanging idea of sustainable management that underlies these efforts, as well as transformation to respond to and change the business environment.

We will use this report as a tool for dialogue with our stakeholders, and with the various opinions and advice we receive, we will work on further collaborative value creation, leading to sustainable enhancement of our corporate value.

September 2021

Setsu Hamana

TOKYU CORPORATION
Director & Managing Executive Officer, Responsible for Corporate Planning Headquarters,
Responsible Person for Publishing of the Integrated Report 2021

Editorial Policy

The purpose of this report is to deepen the understanding of our shareholders, investors and other stakeholders of how we will create value over the medium to long term by presenting our past, present and future, as well as our sustainable management frameworks. In addition, through the publication of this document, we will deepen our communication with our stakeholders, utilize the opinions we have received for improvement, and promote initiatives to further enhance our corporate value.

Guidelines Referred to

The International Integrated Reporting Council (IIRC)'s "International <IR> Framework" and the "Guidance for Collaborative Value Creation" of Japan's Ministry of Economy, Trade and Industry were referred to in the writing of this report.



Scope of Report

Scope of Report: Tokyu Corporation and consolidated subsidiaries (The Group)

Period Covered: In principle, this report covers the period from April 2020 to March 2021 (FY2020), but also includes some information related to activities before and after this period.

Issue date: September 2021

Disclaimer on Forward-looking Statements

The opinions and forecasts contained in this report are those of the company as of the date of preparation of the report, and the company does not guarantee or promise the accuracy or completeness of the information. Therefore, future performance may differ from our expectations.

For the latest information, please see the following IR website.
<https://www.tokyu.co.jp/ir/english/investors.html>

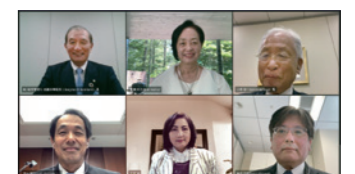
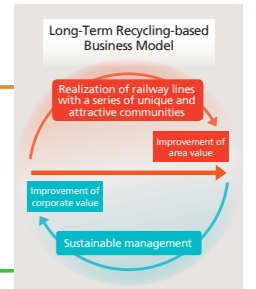
Types of Publication

Publication	Contents	Booklet	PDF	HTML
Integrated Report (this booklet)	Please see "Contents" on page 01 for details.			
Company Guide	This easy-to-understand guide provides all stakeholders with an overview of Tokyu Corporation and an explanation about our initiatives.			
Annual Securities Report	This report is compiled in accordance with Article 24 (1) of Japan's Financial Instruments and Exchange Act and submitted to Kanto Local Finance Bureau. Please see this report for details related to Tokyu's financial situation. It is published annually in late June.			
Corporate Governance Report	This report is compiled following Japan's Corporate Governance Code and submitted to Tokyo Stock Exchange. The report states aspects such as Tokyu Corporation's concept and system for corporate governance. Please also see this report with regard to aspects such as organization design, state of operation, and effectiveness evaluation of the Board of Directors.			
Safety Report	As part of the 2006 revisions to Japan's Railway Business Act whereby railway business operators are obliged to publicly release safety reports, information related to the safety of Tokyu Railways' railway operations is stated systematically herein.			

* Please see the link below for details on our sustainability initiatives and environmental data. <https://tokyu.disclosure.site/ja/>
* Some documents are available only Japanese.

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What We Aim for - Create beautiful living environments

We have adopted the Group slogan, "Toward a Beautiful Age - Tokyu Group," as our universal value standard, and by developing a variety of businesses closely linked to the lives of our customers, including transportation infrastructure business, urban development business, lifestyle service and retail business, and hospitality businesses, we are constantly proposing new ways of living to our customers in order to contribute to solving social issues through urban and community development from a long-term perspective. Toward our social mission of pursuing a harmonious society and the happiness of each individual, we aim to create beautiful living environments while building relationships of trust with our stakeholders.

Standard Values

Origin / DNA

Solving social issues through urban and community development



Group Slogan

Toward a Beautiful Age—Tokyu Group

Beauty is the guiding principle and standard of value for Tokyu Group as it meets the challenges of the future. For all of us in Tokyu Group, the beauty we aspire to is a universal beauty deeply impressing anyone who encounters it, regardless of their generation or culture. We aim to create a beauty in harmony with people, their communities, and the natural environment. With beauty as our touchstone, Tokyu Group's goal is to create beautiful living environments, which reflect our desire to serve our customers by refining our products and services, raising quality, and promoting good health. We are making every effort to realize this vision, and moreover, we aspire to play an active role in creating a more harmonious society, overflowing with kindness and consideration, so that all people may find genuine happiness and express an individual lifestyle.



Our slogan, "Toward a beautiful age," expresses the commitment of all of us in Tokyu Group to continually pursue beauty, and proclaims our determination to lead the way in creating beautiful living environments.

Tokyu's Inherited DNA

Tokyu Corporation traces its roots back to Den-en-toshi Company, which was started in 1918 under the leadership of Eiichi Shibusawa. The company interpreted Ebenezer Howard's theory of the rural city, which was being propagated in England at the time, in a Japanese way, and presented to the world the lifestyle of commuting by train from the lush greenery of suburban residential areas to the city center. This Den-en-toshi Corporation spun off its railway division as a separate company, Meguro-Kamata Electric Railway Company, which was established on September 2, 1922, leading to the company we know today.

In response to the social issues of housing shortage and improvement of living environment in the heart of Tokyo after World War II, Keita Goto, the chairman at that time, announced the Josai-nan Area Development Prospectus in 1953 to construct a new rural city as well as transportation routes in Kawasaki and the northern area of Yokohama. This plan led to the development of the Tama Den-en-toshi area, which was later developed together with the local community. The Company's roots are in public transportation and land development, and we have developed by serving as an engine of growth for each other.

Facing social issues head-on and providing new value through urban and community development is in our Tokyu DNA.

Eiichi Shibusawa
Keita Goto

Mission and Roles in Society

Mission Statement

We shall strive to create beautiful living environments, in which each person can pursue individual happiness in a harmonious society.



Based on a foundation of security nurtured through trust with our stakeholders, we value the comfort created by harmony, attentiveness responds to the particular needs of each individual, propose high-quality, and sophisticated daily living.

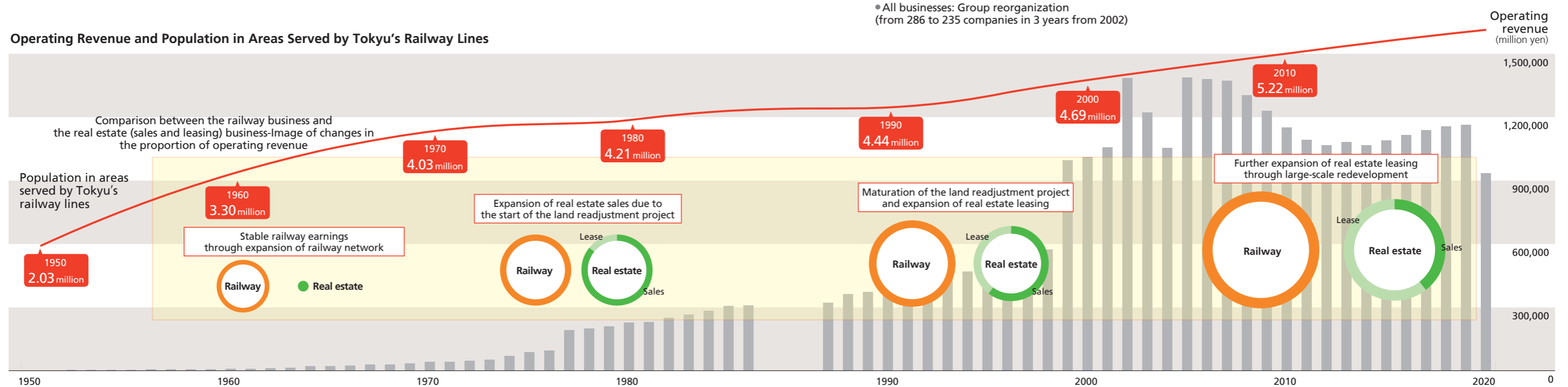
A History of Creating New Value

- Solving social issues through urban and community development

Since its establishment, the Company has been promoting urban and community development while balancing the public and private aspects of our business with the development of public transportation and residential areas. In response to the social issues that arise in each area as times change, we have been working to continuously enhance the value of the area by providing life services and lifestyles from a new perspective in addition to the above.

	Pursuit of convenience	Pursuit of abundance	Selection and concentration	Pursuit of diversity
Values offered	1918 to 1950s Reconstruction from earthquakes and war, and the concentration of population in large cities	1960 to 1980s From rapid economic growth to a mature society	1990 to 2000s First half Collapse of the bubble economy, declining birthrates and an aging population	Late 2000s to present Progression of declining birthrates and an aging population, and inbound demand
Transportation	<ul style="list-style-type: none"> Living and mobility services for suburban residential areas Reconstruction of Shibuya and putting in place functions for convenience of everyday lives 	<ul style="list-style-type: none"> Improve transportation convenience by expanding the railway network Deepening people's enrichment (from quantity to quality) Development of Tama Den-en-toshi with an excellent living environment 	<ul style="list-style-type: none"> Further expansion of the railway network and improvement of comfort Intensive investment in areas served by Tokyu's railway lines Started redevelopment of Shibuya 	<ul style="list-style-type: none"> Solving urban issues and improving the attractiveness of communities through integrated redevelopment of communities and stations Bringing closer work, living, and play, and encouraging relocation Supporting the lives of diverse generations / Safe and secure urban and community development
Development	<ul style="list-style-type: none"> Formation of the early railway network (establishment to 1940s) 	<ul style="list-style-type: none"> Den-en-toshi Line extends to Nagatsuta (1966) Shin-Tamagawa Line opens (1977) Interconnection with Hanzomon Line starts (1978) 	<ul style="list-style-type: none"> Mekama Line system is changed, and interconnection with the Namboku and Mita Lines begins (2000) Minatomirai Line opens, and interconnection operation begins (2004) 	<ul style="list-style-type: none"> Meguro Line extends to Hiyoshi (2008)/ Oimachi Line extends to Mizonokuchi (2009) The Toyoko Line's Shibuya Station goes underground, and interconnection with the Fukutoshin Line begins (2013) Tokyu Shin-Yokohama Line will open, and interconnection with the Sotetsu Line will begin (scheduled for FY2022)
Lifestyle service	<ul style="list-style-type: none"> Toyoko Department Store opens (1934) Tokyu Bunka Kaikan opens (1956) 	<ul style="list-style-type: none"> Den-en-chofu subdivision starts (1923) Announcement of the development concept of Tama Den-en-toshi area (1953) 	<ul style="list-style-type: none"> Shibuya Hikarie opens (2012) Shibuya Stream opens (2018) Shibuya Scramble Square Phase I (East Building) opens (2019) 	<ul style="list-style-type: none"> Tama Plaza Terrace fully opens (2010) Conclusion of Next-generation Suburban Development Agreement with Yokohama City (2012) Futako-Tamagawa Rise fully opens (2015) Minami-Machida Grandberry Park opens (2019)
	<ul style="list-style-type: none"> Chain Store Business (1956) Tourism Business (1956) 	<ul style="list-style-type: none"> Fashion Community 109 opens (1979) Bunkamura multipurpose cultural facility opens (1989) 	<ul style="list-style-type: none"> Shibuya Mark City opens (2000) Cerulean Tower opens (2001) Grandberry Mall (Japan's first open-mall outlet mall) opens (2000) 	<ul style="list-style-type: none"> Schoolchild nursery business (2008) Senior Housing with services business (2010) Satellite shared office for members business (2016)
		<ul style="list-style-type: none"> Completion of the first land readjustment project in Tama Den-en-toshi (Nogawa No. 1, 1961) Tama Plaza Tokyu Shopping Center opens (1982) 	<ul style="list-style-type: none"> Security Business (2004) 	

Offering value required in the new era

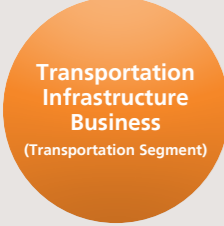


* Population in areas served by Tokyu's railway lines is calculated based on the demographic statistics of 17 municipalities along Tokyu's railway lines.
 * Consolidated accounts have been applied since FY1977, and the new consolidated accounts system and annual securities reports amendment have been applied since FY1999.

Understanding Tokyu
 Value Creation Story
 Management Strategy
 Strategies and Achievements by Business
 Source of Value Creation
 Foundations for Sustainability
 Company Information

Business Overview

The Group consists of 136 subsidiaries and 33 affiliates (as of March 31, 2021) in the following areas of business: transportation infrastructure, urban development, lifestyle service and retail, and hospitality. Focusing on the areas along Tokyu's railway lines, we are engaged in urban and community development from a long-term perspective and developing businesses that are closely linked to the lives of our customers.




Transportation Infrastructure Business
(Transportation Segment)

Business activities

- Railway business
- Bus business
- Airport management business, etc.

Characteristics and strengths

- A highly convenient network with direct interconnections.
- Safe, secure, universal, and comfortable services



Total annual passengers	Tokyu Railways Approx. 800 million Tokyu Bus Corporation Approx. 110 million
Number of stations with platform screen doors, etc., installed <small>(including fixed platform barriers equipped with sensors)</small>	All stations served by Tokyu's railway lines <small>(excluding Setagaya Line and Kodomonokuni Line)</small>
Number of passengers per year at airports under management <small>(7 airports in Hokkaido, Sendai Airport, Mt. Fuji Shizuoka Airport)</small>	9.54 million



Urban Development Business
(Real Estate Segment)

Business activities


- Real estate sales, leasing, management business
- Overseas business, etc.

Characteristics and strengths

- Development of areas that are not stand-alone facilities to address the issues in cooperation with the local community and government
- "Work," "live" and "play" are functionally developed, centered on railway lines



Office building space for lease <small>(The Company's ownership)</small>	Approx. 362,000m ²
Number of (directly managed) satellite shared office facilities	85 facilities
Rental housing	36 facilities 1,251 units




Lifestyle Service and Retail Business
(Life Services Segment)

Business activities

- Cable Television Business
- Electricity Retailing, Gas Agent Business
- Schoolchild, Preschool Nursery Business
- Department Store Business
- Shopping Center Business
- Chain Store Business, etc.

Characteristics and strengths

- Build a wealth of customer contacts and trust through IENAKA (in-home) and MACHINAKA (downtown) business, supporting the lives of various generations of customers with diverse needs



Households connected to CATV <small>(its communications Inc., Cable Television Shinagawa)</small>	1.15 million households
Number of nursery school and school children's facilities <small>(including leased, direct management, and publicly commissioned)</small>	89 facilities
Supermarkets	87 stores



Hospitality Business
(Hotel and Resort Segment)

Business activities

- Hotel Business
- Golf Business
- Resort Business, etc.

Characteristics and strengths

- Providing hospitality services that enhance the quality of life and responding to the diversification of values and lifestyles with trusted brands nationwide

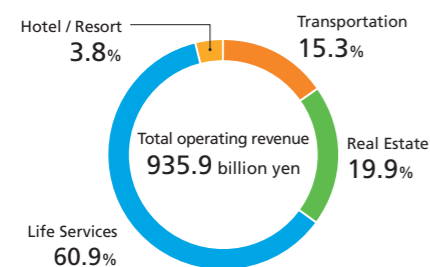


Hotels	3 brands, 44 facilities 12,011 rooms
Time-share resorts	17 facilities
Golf courses	5 locations

As of March 31, 2021

FY2020 Results by Segment

Operating Revenue Distribution Ratio



Breakdown of Operating Profit

Total operating profit -31.6 billion yen (68.7 billion yen)

Transportation	-26.0 billion yen (27.0 billion yen)
Real Estate	28.9 billion yen (29.0 billion yen)
Life Services	-3.8 billion yen (13.4 billion yen)
Hotel / Resort	-31.2 billion yen (1.4 billion yen)
Elimination, etc.	0.4 billion yen (0.8 billion yen)

* Figures in parentheses represent actual results for FY2019.

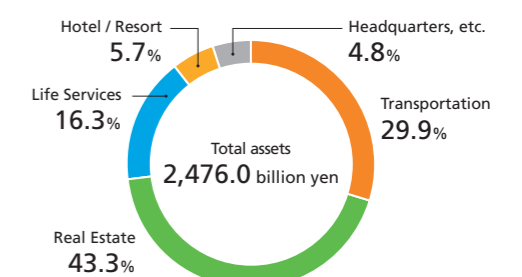
TOKYU EBITDA^{*1} Breakdown

Total TOKYU EBITDA 74.7 billion yen (176.5 billion yen)

Transportation	26.4 billion yen (76.0 billion yen)
Real Estate	54.4 billion yen (53.3 billion yen)
Life Services	13.9 billion yen (32.3 billion yen)
Hotel / Resort	-26.3 billion yen (3.4 billion yen)
Headquarters, etc.	6.2 billion yen (11.3 billion yen)

*1 TOKYU EBITDA = Operating profit + Depreciation + Amortization of goodwill + Disposal cost of fixed assets + Interest and dividend income + Investment gains (loss) from equity method
* Figures in parentheses represent actual results for FY2019.

Total Assets Distribution Ratio



Fields of Business Expansion

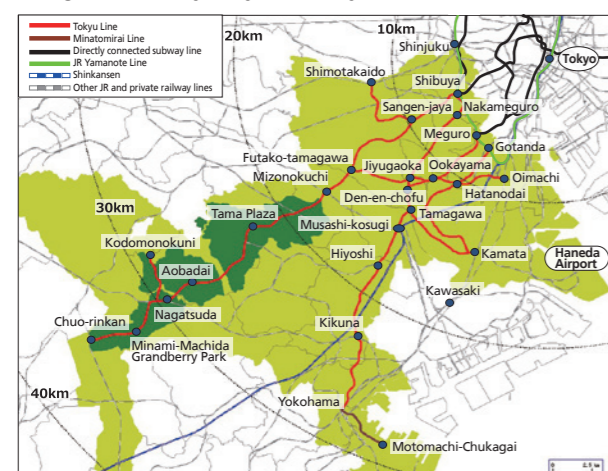
We operate in one of the most populous and consumer-intensive areas in Japan. Drawing on the business expertise cultivated in areas served by Tokyu's railway lines, we are also expanding business into locations outside these areas.

Business Development along Areas Served by Tokyu's Railway Lines

The areas served by Tokyu's Railway Lines are located in the south-west of Tokyo and is home to 15% of the Tokyo metropolitan area's population. In addition, Tokyu Line stations are highly favored in surveys such as those ranking cities where people want to live.

We will continue to work to maintain and expand our social value and corporate value while keeping abreast of social changes, including behaviors and needs.

▶ Region served by Tokyu's railway lines

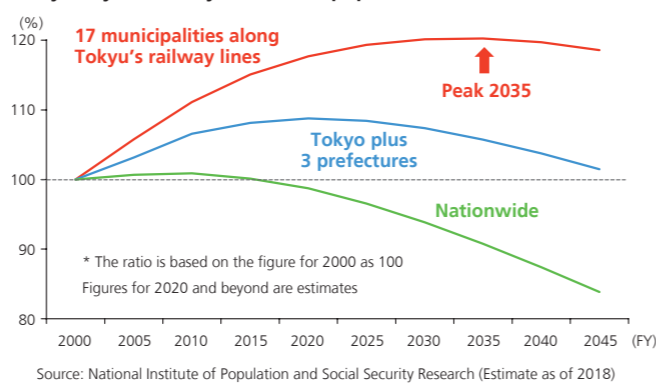


- ◆ Area: 492 km²
- ◆ Population: 5.5 million (including foreigners) 15% of greater Tokyo metropolitan area (Tokyo plus 3 prefectures) (Basic resident registers as of January 1, 2020)
- ◆ Taxable income per capita: 1.5 times the national average (2018 Housing and Land Survey of the Ministry of Internal Affairs and Communications)
- ◆ Estimated scale of consumer spending: 8,645.0 billion yen*

* Calculated by multiplying the preliminary value for the "average consumption expenditure of all households" in the wards of Tokyo, Yokohama City and Kawasaki City (source: Annual Report on the Family Income and Expenditure Survey 2020, Ministry of Internal Affairs and Communications) by the "number of households" in the 17 municipalities along Tokyu's railway lines (source: Basic Resident Register Population Survey, Ministry of Internal Affairs and Communications)

Previously, it was predicted that the population living in areas along Tokyu's railway lines would peak in 2020, but the latest data indicates that the population is forecast to continue growing until 2035. This is thought to be due in part to the urban development by the Company along the railway lines, such as in Shibuya, Futako-tamagawa and Tama-plaza.

▶ Dynamics of population demographics in the areas served by Tokyu's railway lines (total population)



Map: © Kokusai Kogyo Co., Ltd. - Sumitomo Electric Industries, Ltd.
 17 municipalities along Tokyu's railway lines (red)
 Tokyu Tama Den-en-toshi (green)

Business Expansion Outside the Areas Served by Tokyu's Railway Lines

We will contribute to the revitalization of cities and the creation of beautiful living environments in our business areas by expanding business into areas and regions where we can take advantage of the strength.

Making inroads into the airport management business by utilizing expertise cultivated in the transportation infrastructure business

Built on a basis of safety, the airport management business has a high degree of affinity with the transportation infrastructure business. Thus, we have begun accepting contracts for the management of airports as a new business that allows us to maximize the Group's expertise. Using airport management as a foothold, our aim is for mutual growth in cooperation with existing Group businesses, such as "Tohoku," "Shizuoka/Izu," "Hokkaido," and "Hiroshima."

Overseas urban development

In rapidly growing Vietnam, we are expanding urban development integrated with public transportation through the development of environments for work, living, and play, combined with the bus business. In addition, in Thailand we are promoting residential properties and residential leasing services, and in Australia, we are engaged in housing land development and urban development (infrastructure development and employment promotion projects).



The Characteristics of the Urban Development that Tokyu Has Created

- From Shibuya to Tama Den-en-toshi, a railway line-type TOD* -



At the United Nations Summit in September 2015, the Sustainable Development Goals (SDGs) were adopted, and the area along the Den-en-toshi Line from Shibuya to Tama Den-en-toshi is a prime example of sustainable urban and community development, with three main characteristics.

1. Transit-Oriented Development (TOD)

The first is the formation of communities centered on the station, through transit-oriented development (TOD) that combines both transportation and suburban residential development. We have adopted the concept of a "Garden City" proposed by Ebenezer Howard of England to create an urban environment and landscape rich in nature. In addition, Radburn design, which separates automobiles from pedestrians, and cul-de-sac design, which prevents passing traffic from entering residential areas, have been adopted to create communities that are friendly to the living environment. Furthermore, by combining this design with the railway system, we have achieved both the convenience of urban access and a suburban lifestyle rich in nature. Tama Den-en-toshi is attracting attention from government officials of other countries and financial institutions engaged in international development, such as the World Bank, as an urban and community development centering on railway that does not depend on automobiles.



Tama-plaza Station area

3. Enhance area value through continuous development

Thirdly, we have not finished building and selling housing lots, but have continued to carry out various projects and investments in response to the changing times. In addition to the continuous development of commercial facilities in the vicinity of the main stations (Tama-plaza, Aobadai, and Minami-machida Grandberry Park) and the introduction of a variety of functions as the community matures (including research and development centers for work, halls and sports facilities for culture and leisure), we have realized a series of attractive communities along the railway line through comprehensive development, including the utilization of land by landowners along the line. Recently, the redevelopment of the area in front of stations has been promoted, and hubs such as Sangen-jaya, Yoga, Futako-tamagawa, and Mizonokuchi have been connected from Shibuya to Tama Den-en-toshi, contributing to the enhancement of the value of the area in a wide area by forming a unique town with various functions and services.

In addition, we are working to create sustainable communities through the promotion of urban and community development activities that take advantage of collaborative relationships among industry, government, academia, and the local communities, as well as the formation of hubs where various entities can interact and create together.



Josei-nan Area Development Prospectus

In 1953, in front of local landowners, then-Chairman Keita Goto announced an objective and concept for development of "Josei-nan Area" (the south-western suburbs of Tokyo)

* TOD (transit-oriented development)
 The concept of TOD was popularized in 1993 when the American architect Peter Calthorpe advocated urban development by experimenting with public transportation in order to break free from the automobile. Even before TOD became the focus of global attention, the railway line-type TOD was a uniquely development model in Japan that integrates transportation with suburban residential and urban development, as well as terminal station development, based on the premise of using public transportation in order to lead to healthy urban growth in response to the concentration of population in urban centers.

2. Regional development based on a long-term concept

Secondly, the land readjustment project area alone covers an area of 3,213 hectares, which was developed through total coordination. Starting from the announcement of the purpose and concept of the development of Josei-nan Area (the south-western suburbs of Tokyo) in 1953, the urban area was developed based on a comprehensive and strategic master plan covering the entire area of 5,000 hectares, including the land readjustment project involving 58 cooperatives. One example is the Amenity Plan Tama Den-en-toshi, which aims to create a more comfortable city by promoting the development of urban service facilities, greenery, transportation, schools. Even if short-term profitability is difficult to achieve, we aimed to improve the area's value over the long term.

Business Model and Competitive Advantages

– Long-term Recycling-based Business Model

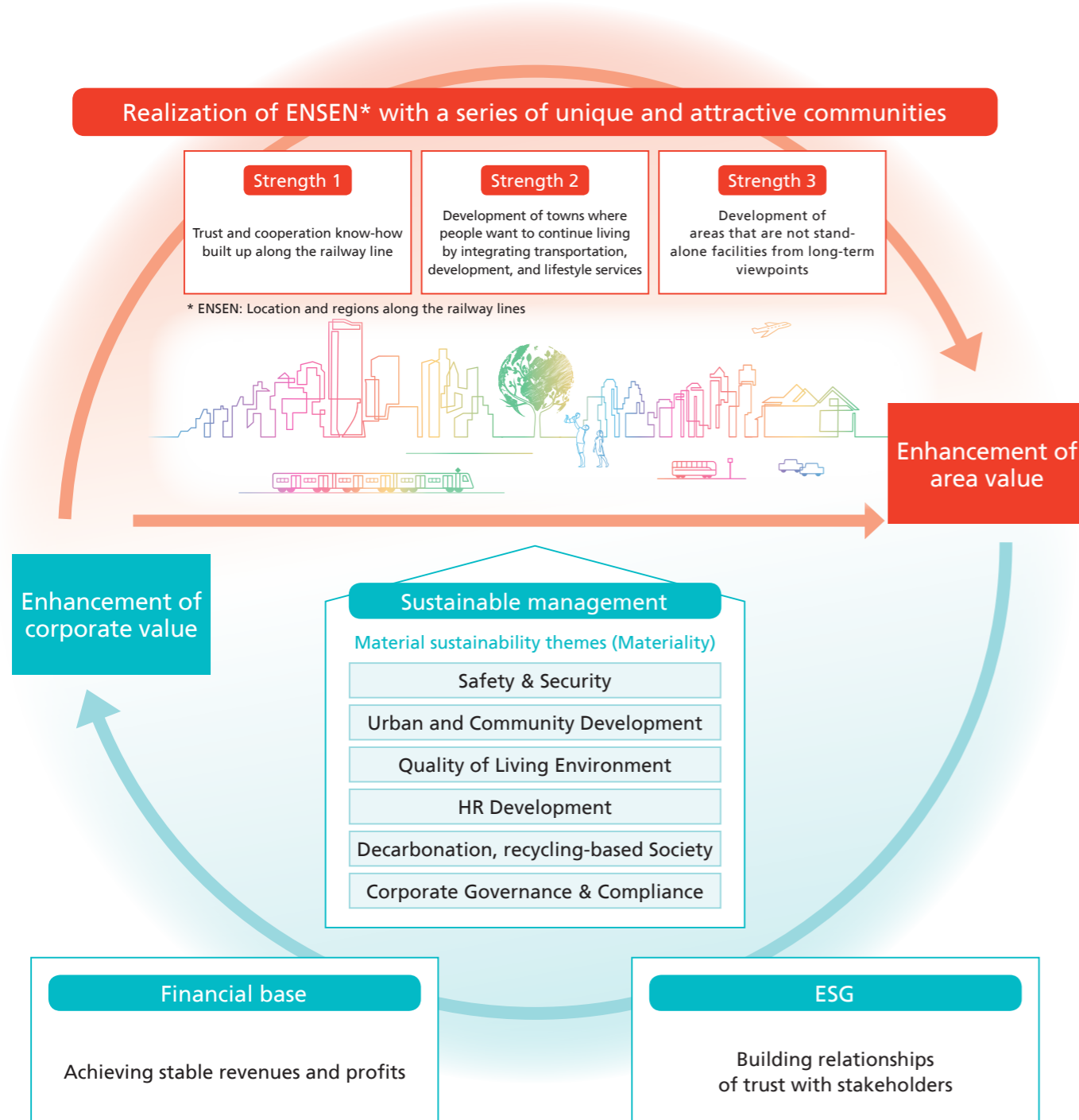
Our growth is in tandem with the growth of the city, and the enhancement of area value leads to the enhancement of corporate value.

This is a Long-term Recycling-based Business Model that aims to create a perpetual cycle by reinvesting the value gained through urban and community development.

In order to develop the city in a sustainable manner, we are working to enhance the value of the area by using our strengths to create ENSEN* with a series of unique and attractive communities. We are also using this know-how to enhance the area value of each region.

Sustainable management supports this cycle of increasing area value and corporate value.

▶ Long-term Recycling-based Business Model

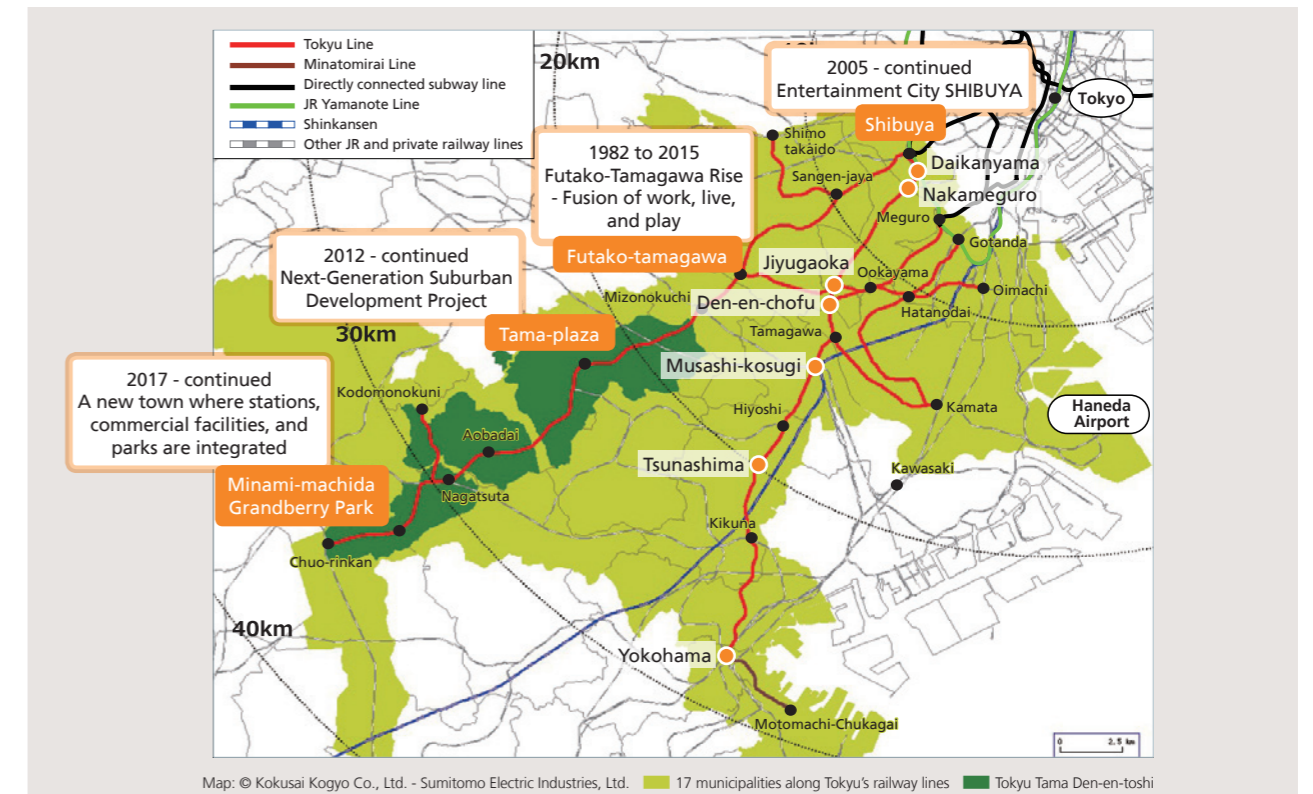


Realization of ENSEN with a Series of Unique and Attractive Communities

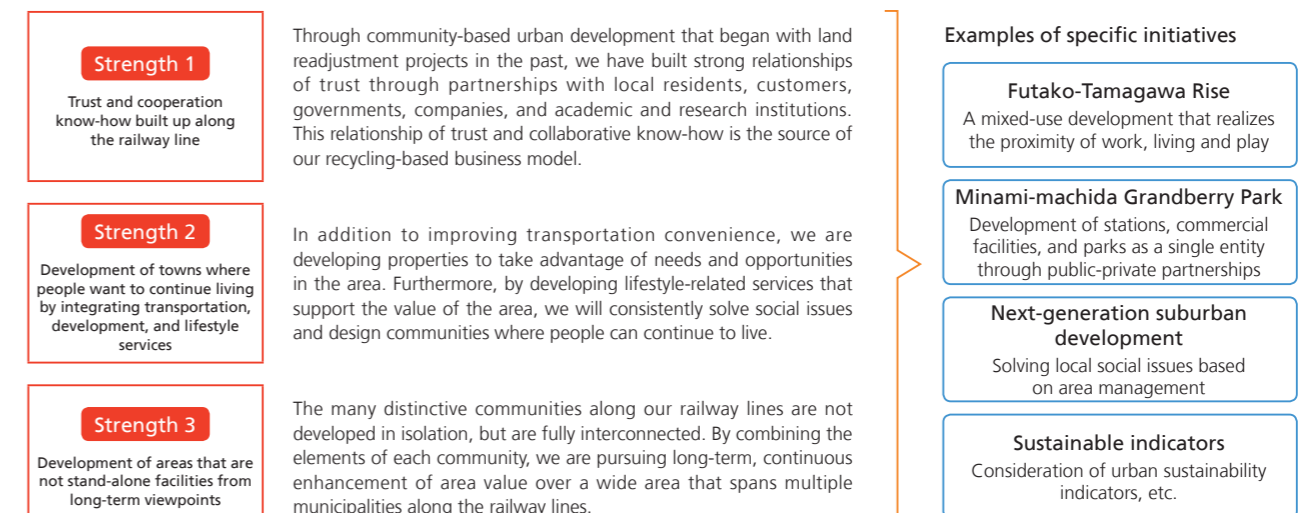
In order for a city to develop sustainably, it is essential to create an urban structure that can respond to the diversification of values and lifestyles, and to create a series of unique and attractive cities that attract people. In order to achieve this, it is important to make the most of the unique resources of each city and town to enhance their attractiveness, and at the same time, to provide them with the functions for “work,” “living” and “play” and to create a situation where the economy generated by the region circulates within the region.

This will lead to the realization of self-contained and dispersed urban structures that we are aiming for in the future, as well as to urban redundancy (multiplexing), such as business continuity and regional reconstruction in the event of a disaster by distributing urban functions over a wide area.

▶ Urban Development from a Long-term Viewpoint

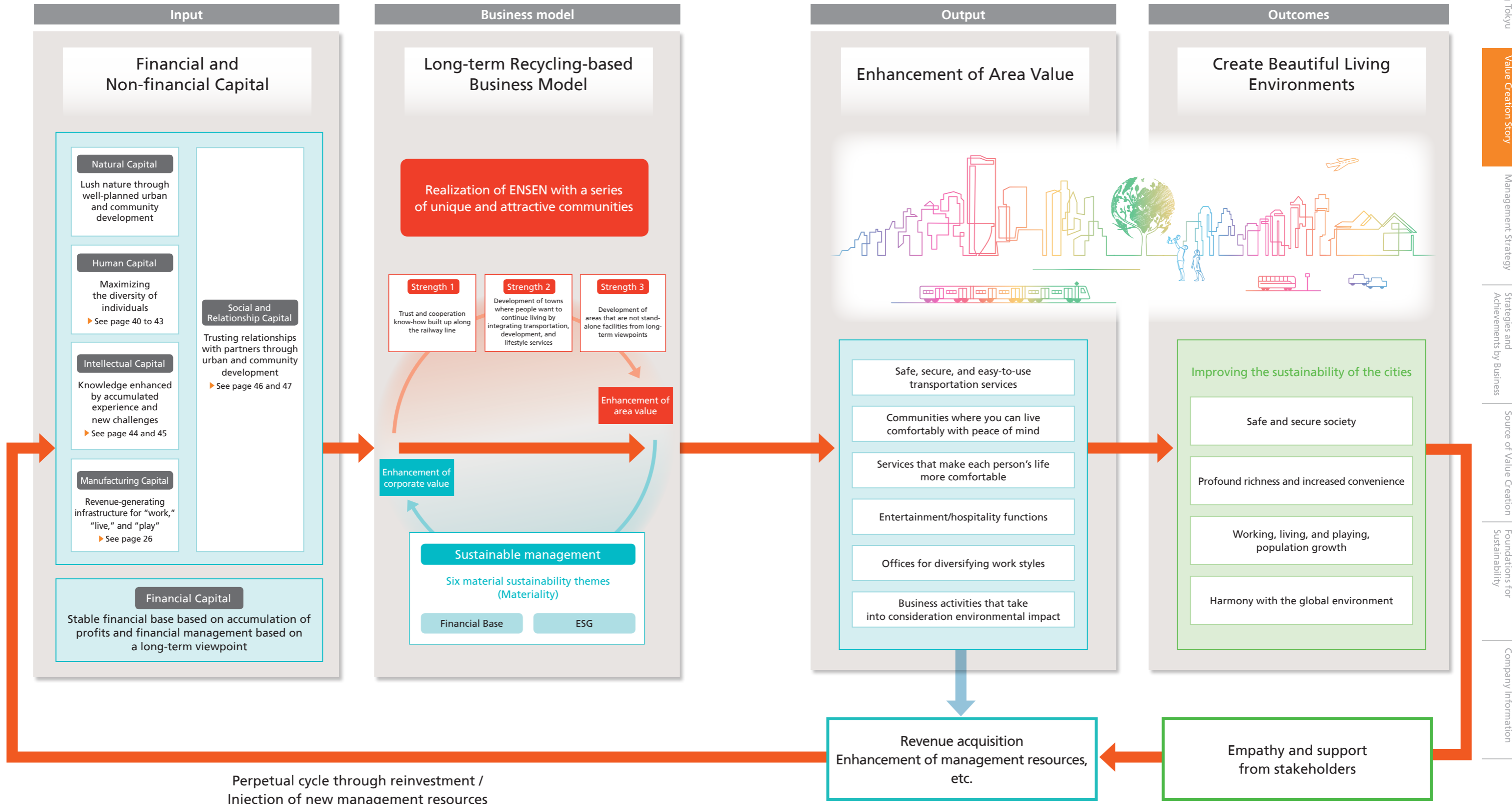


Linking Strengths to Enhance Area Value



Value Creation Process – Create beautiful living environments

We will realize our Mission Statement of “Create beautiful living environments” by addressing the social issues surrounding us and utilizing our management resources to increase the value of the area and the company.

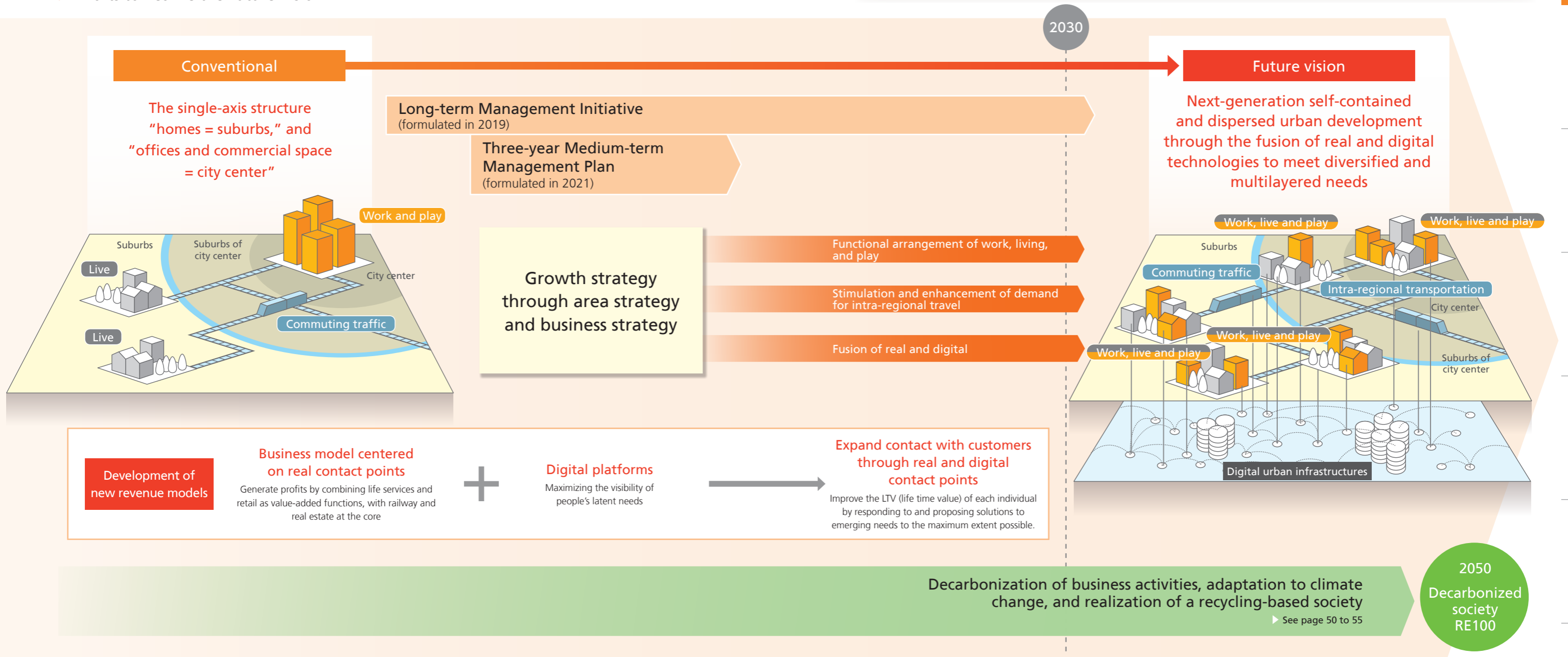


Future Vision – Future envisioned from a long-term viewpoint

We believe that it is necessary to change from the conventional function-sharing urban structures where people live in the suburbs and work in the city center using the railway, to self-contained and dispersed urban structures, where the functions of work, living, and play are strategically placed in the city center, the suburbs of the city center, and the outer suburbs, and the local resources of the community are maximized.

As a new opportunity for growth, our vision for the future is to create communities that combine self-contained and dispersed urban structures with digital platforms that support people’s lifestyles, as well as to realize a decarbonized, recycling-based society.

▶ Efforts to Realize the Future Vision



Further Toward the Future

While the population in areas along Tokyu's railway lines is forecast to increase until 2035, it is expected to enter an era of population stagnation after that. In the future, we will continue to evolve our business model, incorporating the concepts of well-being (creating communities where people can live their own lives with peace of mind and safety in an era of 100 years of life) and social harmony (protecting nature and culture, and creating a town where people, nature, and society are in harmony and can feel the richness of life), while continuing to be an attractive railway line in the future.

Concept of "City as a Service"

<p>Well-being Providing services customized for the lifestyle of each person</p> <ul style="list-style-type: none"> Freedom to work, live, and move Enhancing the environment for childcare and education Food, wellness, and healthy life expectancy <p>Development of digital urban infrastructures Unified ID, cashless transactions, infrastructures for large-capacity communication, sensing, digital space mapping, etc.</p>	<p>Social-harmony Structuring a system for supporting autonomous local economies and communities</p> <ul style="list-style-type: none"> Urban spaces where people can enjoy better safety and comfort Recycling-based society (local currency, local production and consumption, sharing economy, resources reproduction, etc.) <p>Feedback to real urban infrastructures Easily accessible urban data, optimization of urban operations (mobility, energy, logistics), deliberately developed urban planning projects, etc.</p>
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Understanding Tokyu

Value Creation Story

Management Strategy

Strategies and Achievements by Business

Source of Value Creation

Foundations for Sustainability

Company Information

Top Commitment

Once again, we will stand
at the starting line
“Toward a Beautiful Age”
and realize transformation

高橋 和夫

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■ Review of the previous three-year medium-term management plan (FY2018-2020)

– Taking Changes in the Social Environment as an Opportunity for Business Transformation and Structural Reform

In the previous medium-term management plan, we steadily implemented and completed priority measures, including large-scale development projects such as the Shibuya Scramble Square East Building and Minami-Machida Grandberry Park, and safety investments such as the 100% installation of railway platform screen doors, etc.

On the other hand, we were greatly affected by the spread of COVID-19, and unfortunately we were unable to achieve our numerical targets.

Since our founding in 1922, we have grown by transforming our business portfolio in response to the changing needs of the times, based on our railway business and centered on urban and community development, which involves the development of areas along Tokyu's railway lines, etc. Currently, we focus on four business fields: transportation infrastructure business, urban development business, lifestyle service and retail business, and hospitality business. Because most of our business is based on the movement and accumulation of people, the restraint during the COVID-19 pandemic has had a significant impact on our business performance.

The damage to the railway business, which had been a stable pillar of revenues for many years, was particularly devastating. Up until two years ago, the priority issue we faced was how to alleviate congestion during rush hours in light of the population along the railway lines, which is expected to continue to increase after peaking in 2035, while keeping in mind issues such as the future decline in population and the decrease in commuting demand due to the working style reform. With regard to the forecast for the recovery of the number of passengers, we assume that the number of non-regular passengers will return to the previous level, but the number of passengers using commuter passes will not return to the previous level due to factors such as the spread of remote work. These changes in the business environment and society are not limited to transportation infrastructure business, but extend to all businesses. As values and lifestyles continue to transform, we need to re-examine what social value we can provide through our business. If social issues change, what we do should and will change. We believe that this recognition is extremely important for sustainable management.

■ New three-year medium-term management plan (FY2021-FY2023): Transformation

– Restore Revenues by Responding to Changes in the Business Environment and Implementing Structural Reforms

2020, when we began to formulate the new medium-term management plan, was the time when the COVID-19 pandemic had caused the most damage. Although it was not easy to make a new plan when the future was unpredictable, we first focused on rebuilding a business that was hurting, and our first goal was to become profitable in the first year of the plan, FY2021. This is a strong indication of the determination of management to avoid consecutive losses as a listed company that aims for long-term stable management.

The theme of the new medium-term management plan is transformation. Some time has passed since the

COVID-19 pandemic, and the challenges we face and the things we need to devise under the new normal are gradually becoming clearer. In light of this, we will work to restore profitability by responding to changes in the business environment and implementing structural reforms. We are determined to use this crisis as an opportunity, and as a turning point for new growth.

With regard to the business strategy of each segment, we will not only maintain financial health, but also incorporate elements of ESG and DX (digital transformation), and promote the growth of areas that are compatible with new lifestyles and work styles.

■ Transportation Infrastructure Business
– Providing transportation services appropriate for the new normal

In addition to the core railway business, the transportation infrastructure business includes the bus business and airport management business.

Tokyu Railways will strive to provide social value and improve efficiency while placing safety and security at the core of our operations. For example, as an industry leader in the installation of platform screen doors and barrier-free measures, we have continued to make high-level capital investments, and through the development of a railway network based on directly connected operations, we will continue to enhance the value of the area and create social value by providing advanced services that facilitate the movement of all people through our railway network. In addition, we will continue to provide transportation services that are appropriate under the new normal by achieving a balance with revenues, through means such as by converting the Toyoko Line to one-man driving, optimizing operation schedules, and improving operational efficiency through the use of technology.

On the other hand, for businesses outside of our railway lines, our medium to long-term approach is to maintain and increase the human flow of residents and tourists while taking into account the characteristics of each region, and to grow our business along with regional revitalization. However, for the time being, we will steadily capture recovery demand while improving our resistance to a decline in travel demand.

■ Urban Development Business
– Development the areas served by Tokyu’s railway lines and portfolio optimization

In the urban development business, sales of large-scale condominiums and detached houses along the railway lines are strong, reflecting the focus on the suburbs due to changes in lifestyles. In light of this situation, we will focus more than ever on the development of the areas along the railway lines that are rooted in the local community. For example, there is a need for housing not only in front of stations, but also some distance away from stations, as long as the living environment is well maintained. In addition, in areas where the population is aging and there is no progress in generational change through resettlement, we will enhance the value of the area through both tangible and intangible measures,

such as developing housing to attract younger generations to move to the area and revitalizing the town.

In urban areas, we will create attractions that can only be experienced in real life. In Shibuya, one of our most important locations, we have formed a partnership with LCRE (L Catterton Real Estate), a real estate development company of the LVMH (Moët Hennessy Louis Vuitton) Group, and by integrating it with the adjacent Bunkamura, we plan to create a world-class quality facility that will represent Japan.

Another important thing is the real estate business portfolio. In addition to the portfolio by region and use, we will also control the ratio of ownership and sales with an awareness of capital efficiency. While we tend to perform mixed-use development that we will hold for 20 or 30 years, from the perspective of capital efficiency and early value enhancement, we will also work on asset turnover type building business.

■ Lifestyle Service and Retail Business
– Respond quickly to changing customer needs and market trends through collaboration with digital transformation and other companies

The supermarket business has been performing well, as we have been able to capture nesting demand and the point linkage with Rakuten has led to the acquisition of new customer segments. We will continue to enhance our services and improve operational efficiency by expanding e-commerce, digital marketing, and utilizing technology.

In the department store business, while the decline in sales has been unabated since before the COVID-19 pandemic, we are developing a major food market in the Shibuya area with Toyoko Noren-gai and Tokyu Food Show as one of our focus areas, and at the same time, we are promoting reforms to create a cost structure that is commensurate with income by reallocating personnel to growth areas. Going forward, we will transcend the boundaries of existing business formats such as department stores, supermarkets, and shopping centers as Tokyu Retail to provide a shopping experience that exceeds customer expectations.

In the ICT media domain, Internet services from its communications Inc. have been strong, reflecting the growing need for indoor communication environments for telecommuting and online classes. Meanwhile, in the entertainment field like Tokyu Recreation, the pandemic given us an opportunity to think more than ever about


distribution or the nature of new cinema complexes under the new normal. In order to be able to expand from the business of attracting customers, which involves moving people around, to the side of providing content, we established a BS broadcasting company as a joint venture with Shochiku. In addition, we have started a 5G base station sharing service jointly with Sumitomo Corporation in order to achieve a high-speed communication (5G) environment around Shibuya Station and the areas along Tokyu’s railway line as soon as possible. In the lifestyle service and retail business, we believe that collaboration with other companies will be the next big step.

■ Hospitality Business
– Establishing a system that is resilient to changes in the environment and provide services

The hotel and resort business was most severely affected by the spread of COVID-19. This was an abrupt turn

from the situation just before COVID-19, when the government was aiming for 40 million foreign visitors to Japan. Hotels in the city center, which were dependent on inbound tourists and business travelers, were particularly affected. First of all, we need to review our operation system and lower the break-even point by reducing fixed costs in order to return to profitability, and at the same time, we need to take measures to capture the recovery demand after the COVID-19 pandemic is over.

From the perspective of turning a difficult situation into an opportunity, we will provide services flexibly and quickly to meet the needs that have expanded along with the COVID-19 pandemic, such as workation, telework, and micro-tourism. Regrettably, the hotel business is expected to record a loss again in FY2021 but we will aim to make it profitable in FY2022 and beyond.

 See: Three-Year Medium-Term Management Plan, page 22 to 25
 Strategy by Business, page 32 to 39

■ Developing human resources to support transformation
– Increase Corporate Value by Maximizing the Individual

In our new medium-term management plan, we have set forth a policy of maximizing the individual as our human resource strategy. This means that each and every one of us should be aware of what we need to do in order to achieve the new medium-term management plan.


With human resource development in mind, which will contribute to the realization of the transformation set forth in the new medium-term management plan, we will continue to work on the development of our employees, including their mindset.

We have always put a lot of effort into our human resource development programs, including exchanges with other companies. However, group education alone is not enough to develop the individual. We believe that by considering what the company can provide according to the wishes and abilities of each individual, and by building a mutual relationship through engagement, the individual in the true sense of the word will come alive, and the existence of diverse individuals will surely bring about innovation.

We have established the System for Fostering Entrepreneurial Employees (SK System) as an opportunity for

taking on challenges so that employees can demonstrate their individual strengths, and we value the seeds of innovation that are born from this system. Various business ideas have been generated through this system, and we will back them up as something that will lead to new businesses.

Also, in terms of empowering women, we have been hiring more women over the years, and the number of female management-level employees has been increasing. In the future, we expect to see more women being promoted to senior management positions. As a management strategy, the company has been focusing on initiatives to utilize diversity and employee health management, and has been recognized for seven consecutive years under the Health & Productivity Stock Selection, and nine consecutive years as a Nadeshiko Brand, the only company in all industries to be selected for this length of time.

 See: Human resource strategy, page 40 to 43
 Empowerment of women, page 42

■ Value creation for 2030

– Maximizing the Value of the Area by Creating a Series of Unique and Attractive Communities –

In 2019, we compiled our management stance and area and business strategies through 2030 into a long-term management initiative.

As a comprehensive lifestyle industry that contributes to the lives of our customers, we have carried on the resolution of social issues through our business as part of our DNA, and we have earned the support of our customers by expanding into a variety of business fields in response to the changing times in order to continuously enhance area value along the Tokyu railway lines and elsewhere.

Under the new normal, we believe that a lifestyle that combines telework and mobility will become widespread, in which people will not have to commute to the center of the city five days a week, but will be able to make short trips to nearby places and live an active life. For this reason, our goal is to create communities where people can “work,” “live” and “play” in close proximity to where they live, and when we look at the entire railway line, we see that the value of the railway line itself is enhanced by a series of unique communities. It is not enough to aim for communities that look the same everywhere, even if they have all the necessary functions, it is also important to incorporate the color and characteristics of each place. Along the Tokyu railway line, a number of attractive communities have been developed by Tokyu, such as Futako-tamagawa, where urban and natural environments coexist, Tama-plaza, a residential area with abundant greenery that is being developed as a next-generation suburban town, and Minami-machida, where parks and commercial facilities have been integrated around the station. If these hubs can be directly connected by stress-free mobility (transport), we believe that the mobility patterns of people will change.

In addition, as a new growth opportunity, we established a new department specializing in uniformly implementing the digitization of service provision in each business area from October 2021 in order to promote urban development that combines digital platforms that support people’s lifestyles. By doing so, we aim to create the next generation of Self-contained and dispersed urban development by capturing latent needs using digital technology in addition to the real customer contact that



has been the hallmark of the Group up until now.

One of the characteristics of our company is that each business is closely related to each other within a single base or area in order to create attractive communities. In the Futako-tamagawa area mentioned above, the station is the starting point and the company leases shopping centers and offices in adjacent areas, while its consolidated subsidiaries operate supermarket business and hotel businesses, and also engage in subdivision and sale of tower condominiums. Before the redevelopment, it was mostly a shopping town. However, it has been transformed into a community visited by a diverse group of people, including office workers and families. In this way, we are working to uncover new needs and provide unprecedented added value through collaboration among our businesses. In addition, we are aggressively pursuing alliances with other companies for areas that cannot be solved by the Group alone. For example, in the Shinjuku Kabukicho 1-chome Redevelopment Project, which is scheduled to be completed and open in 2023, we will collaborate with Sony Music Entertainment, our partner in the operation of theaters and live halls, to provide not only hotels and cinemas in the facilities, but also attractive entertainment for everyone around the world from the entire Shinjuku Kabukicho area together with the people of the community.

See: long-term management initiative, page 22
Self-contained and dispersed urban structures, page 11
Future vision, page 14 and 15

■ Thoughts on sustainable management

– “Toward a Beautiful Age”

Our company will soon be celebrating its 100th anniversary in 2022. However, when we look ahead, now there are doubts about whether the global environment can be maintained for the next 100 years. For this reason, we believe that only by addressing social and environmental issues head on will we be qualified to talk about the next 100 years and prosperity. Although we still aim to be a sustainable company, before we can do that, we need to realize the premise that there is a sustainable society. For this reason, we have changed our key sustainability theme for the environment from low-carbon to decarbonization, and set a goal of zero CO₂ emissions. As for the response to the impact of climate change, because we are in the business of supporting urban infrastructure, we need to consider not only physical measures based on long-term projections, but also what we can do as a business opportunity to encourage behavioral change in society.

In addition, urban and community development that benefits only the business and sacrifices the local community cannot be sustained. We have been doing business in this area for 100 years, experiencing that even if profitability temporarily declines, prior measures that truly benefit the people living along Tokyu lines become the seeds for future business that will eventually come back to us. Our actions to protect intangible assets such as safety, security, and trust that our predecessors have built up, and to further refine them in the future so that they can be used for the next generation, will lead to a successful combination of our company’s growth and the improvement of the sustainability of communities. This is what our Long-term Recycling-based Business Model is all about.

Although we have been hit by an unpredictable pandemic from the spread of COVID-19, as a company that supports urban infrastructure, the Group has a responsibility to continue our business and is made up of essential workers, that is, employees who work at real sites such as railway, buses, supermarkets, senior facilities, daycare for school children and pre-school children, and hospitals. When I think of the employees who are fulfilling their duties at the front line of customer contact under the

risk of infection, including the frequent declarations of a state of emergency, I cannot help but feel grateful. The safety of our employees is an important prerequisite for business continuity, and we take measures against infectious diseases and provide vaccinations in the workplace to ensure the best possible working environment.

We will continue to protect our corporate value and our brand value, as well as the trust that customers have in the Tokyu brand, by ensuring safety and security in all our business activities, which is the foundation of our business. With this as our primary foundation, we will continue to provide services that resonate with customers, including those living along our railway lines, and we will create communities that are not just beautiful on the surface, but that enable people to truly feel comfortable using the products and services of the Tokyu Group. In order to achieve this goal, the Tokyu Group will once again stand at the starting line of “Toward a Beautiful Age” and realize transformation.

See: Group slogan
“Toward a Beautiful Age-Tokyu Group” page 2
Decarbonation and a Recycling-Based Society, page 50 to 55
Long-term Recycling-based Business Model, page 10



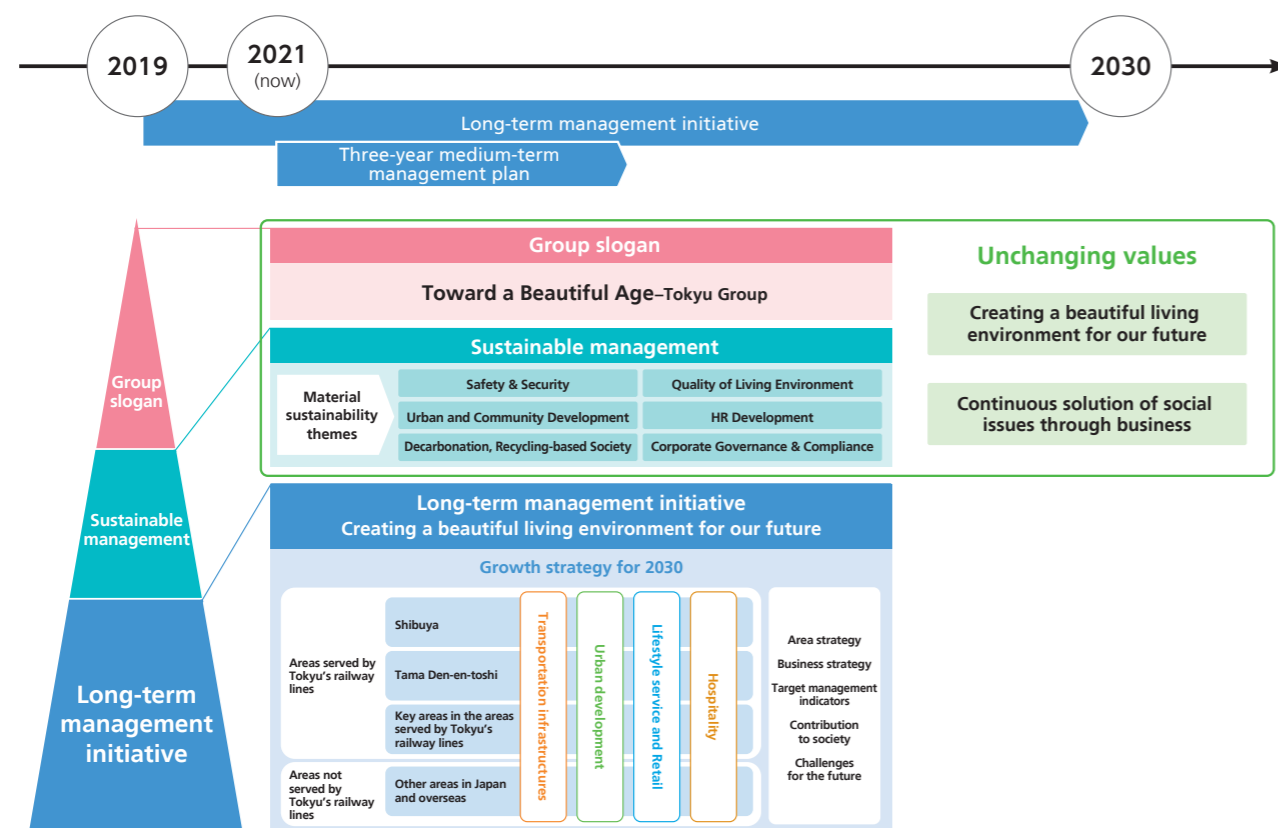
Overview of Three-Year Medium-Term Management Plan

In September 2019, the company announced its long-term management initiative for 2030. In May 2021, even in face of the COVID-19 pandemic, we formulated a three-year medium-term management plan (FY2021-FY2023) in light of changes in the business environment, while promoting initiatives for the long-term management initiative.

Long-Term Management Initiative

Digitalization, demographic changes and other social changes are accelerating, and our business environment is undergoing significant changes like never before, including the actualization of climate change risks. In this environment, we formulated a long-term management initiative in September 2019 to speed up efforts to optimize group management and clearly indicate Tokyu's visions for the future and the direction in which Tokyu will go.

In addition, in FY2020, society underwent dramatic changes due to the spread of COVID-19. Despite these circumstances, our vision for the future remains unchanged, and under the Group slogan "Toward a Beautiful Age," we will continue to tackle important sustainable themes and implement a Long-term Recycling-based Business Model.



Background Behind the Formulation of the Three-Year Medium-Term Management Plan

In formulating the three-year medium-term management plan, we have sorted out the changes in the business environment that should be especially considered over the next three years, while

maintaining the same values. We have formulated our Basic Policies (see page 24) with an eye to how we will respond to these changes.

Changes in the Business Environment

- Decrease in people traveling and meeting due to COVID-19
- Accelerated transition of work and life styles
- Shrinking population, declining birthrates and an aging population, and their regional disparities
- Rapid shift to a decarbonized society at the global level
- Rapid development of digital technology

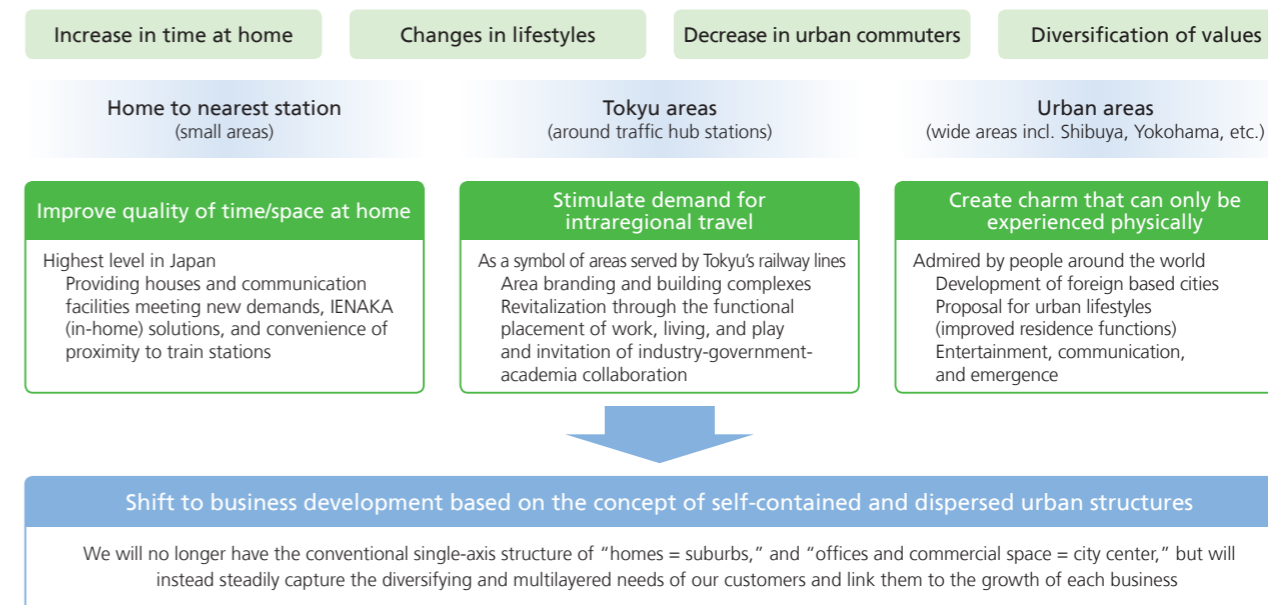
Changes in the Value Demanded

We will capture signs of mid-term paradigm changes based on changes in society, including behavior and needs, and build strategies for each business to achieve sustainable growth.

In response to changes in lifestyles and society, such as an increase in the number of hours spent at home and a decrease in commuting to work in the city, we believe that we need to shift from a business structure based on the traditional concept of "suburbs as the center for housing and urban centers as the center

for office and commercial activities" to a business development based on the concept of self-contained and dispersed urban structures that capture diversifying and multilayered needs, which will lead to growth in each of our businesses.

In addition, we will stimulate demand for intra-regional travel by arranging functions for work, living, and play at the stations along Tokyu's railway lines that serve as transportation nodes.



Review of the Previous Three-Year Medium-Term Management Plan (FY2018-2020) and Future Issues

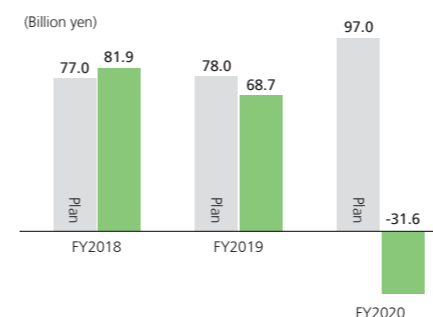
We steadily implemented and completed priority measures, including large-scale development projects such as the Shibuya Scramble Square East Building and Minami-Machida Grandberry Park, and safety investments such as the 100% installation of platform screen doors.

On the other hand, our major industries such as transportation business (railway, buses, etc.), hotels and department stores were greatly affected by the spread of COVID-19 (see "Strategies and

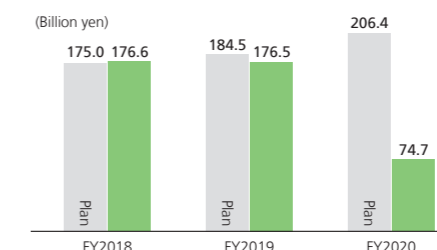
Achievements by Business" on page 32 to 39), and we were unable to achieve our numerical targets.

In the process of the new normal under the COVID-19 pandemic, it is expected that the situation will continue to be uncertain due to the repeated convergence and spread of the infection. We will restore profitability by steadily implementing responses to changes in the business environment and implementing structural reforms.

Operating Profit



TOKYU EBITDA



Interest-bearing Debt/TOKYU EBITDA Multiple

End of FY2020 (Plan) **5.3** times
(Results) **15.8** times

Basic Policies and Key Strategies of Three-Year Medium-Term Management Plan

The basic policy of this management plan is transformation, and responding to the changes in the business environment accelerated by COVID-19 and promoting structural reforms, we aim to restore the scale of our earnings and position the next three years as a turning point for new growth.

To achieve this transformation, we have set four key strategies: strengthening the business structure of the transportation infrastructure business, supporting new values in the real estate business, evolving into businesses and services that respond to new lifestyles, and promoting structural reforms in each business.

Basic policies “**変革 (Henkaku)**”: Revenue recovery and growth by responding to changes in the operating environment

Aim to restore the revenue level by responding to current changes in the operating environment and implementing structural reforms and other measures and position the current period as “the turning point to new growth”

Revenue recovery	<ul style="list-style-type: none"> FY2021: Secure operating profit of 20 billion yen Achieve a steady profit recovery in each business 	Maintenance of financial health	Interest bearing debt / TOKYU EBITDA multiple Recover to 7 times (FY2023)
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Key strategies

- Strengthen business structure in the transportation infrastructure business
- Respond to new values in the real estate business
- Change business and services corresponding to new lifestyles
- Implement structural reform in each business

* TOKYU EBITDA = Operating profit + Depreciation + Amortization of goodwill + Disposal cost of fixed assets + Interest and dividend income + Investment gains (loss) from equity method

Changes in Environmental and Business Strategies

In light of the changes in the environment surrounding each of our businesses, we will not only restore profitability, but also turn challenges into opportunities and turning points for new growth by

responding to environmental changes and implementing structural reforms rather than extending existing business models.

	Past	From now
Transportation Infrastructure (Transportation Segment)	Business to meet demand for commutation to central Tokyo ⇒ Investment in large facilities to raise transportation capacity and reduce overcrowding and long term recovery of invested capital	The number of passengers carried will not return to the previous level even after the pandemic ⇒ Change from earnings structure focusing on commuters and create demand for intraregional travel
Urban Development (Real Estate Segment)	Urban development through the redevelopment of urban infrastructure, etc. ⇒ Supply rental properties such as offices and commercial spaces based on building complexes and increase area value	Property selection and the trend of the survival of the fittest among areas will continue to grow with changes in work styles and demand conditions ⇒ Re-examine the uses and sizes demanded Develop growth areas with a focus on asset replacement and fund efficiency
Lifestyle Service and Retail (Life Services Segment)	Raise the value of Tokyu areas through various businesses and bundles ⇒ Develop business with a focus on physical contact with customers and services and also work on e-commerce	Physical and digital services will be seamless as changes in lifestyles accelerate ⇒ Focus on areas where Tokyu can exert its strengths and grow services that meet current demand
Hospitality (Hotel and Resort Segment)	The overall industry saw rapid growth with increase in inbound tourism ⇒ Continue the conventional hotel chain business Actively open new hotels, particularly in urban areas	Competition is intensifying in addition to uncertainty about the future ⇒ Implement structural reforms and take measures to raise profitability

First Year Achievement Standards

In the first year of the plan, we will steadily implement structural reforms and other measures to ensure that we return to our business performance, with an awareness of financial health. We will steadily implement investments in safety, maintenance and renewal, ongoing large-scale projects in Shinjuku and Shibuya, and

	(Reference) FY2020	FY2021
TOKYU EBITDA	74.7 billion yen	118.7 billion yen
Operating profit	-31.6 billion yen	20 billion yen
Interest-bearing Debt/ TOKYU EBITDA Multiple	15.8 times	10.3 times

Investment Plan and Shareholder Returns

We will review and re-examine our investment plans according to our business performance, with an awareness of financial health. We will steadily implement investments in safety, maintenance and renewal, ongoing large-scale projects in Shinjuku and Shibuya, and

investments related to structural reform.

Our approach to shareholder return is to aim for a dividend payout ratio of 30% or more in the medium term, and we plan to pay an annual dividend of 15 yen for the current fiscal year.

Investment plans

Steadily implement safety and maintenance/renewal investment, large projects in progress, and investments related to structural reforms

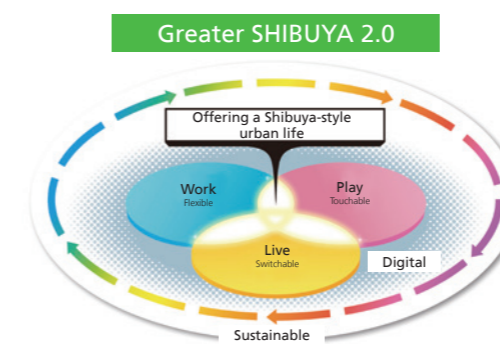
Planned capital investment for FY2021: 127.7 billion yen
[Reference] (Investment in growth : 53.8 billion yen / Investments for existing business : 73.9 billion yen)

Concept of shareholder returns

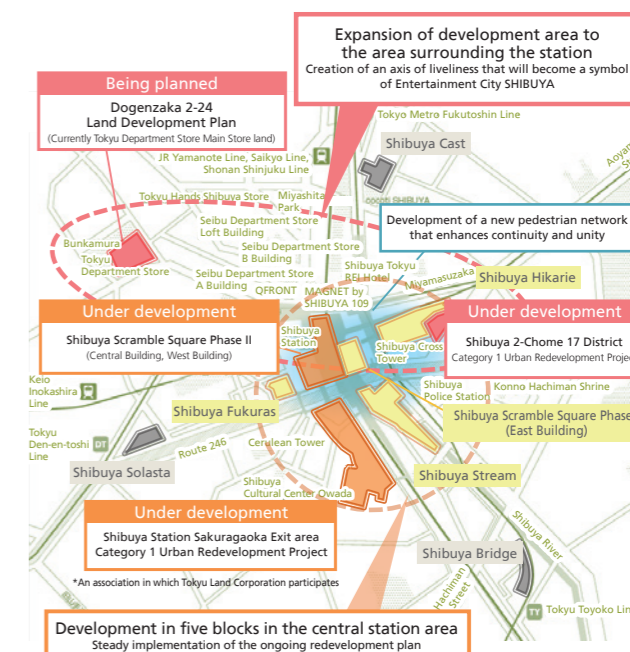
Continue stable dividend payments and aim for a dividend ratio of 30% or more in the medium to long term, with an awareness of the total return ratio

Toward the Future of Shibuya

Toward the future of Shibuya, the most important center of the city, we are promoting development plans, including public-private partnerships, and multilayered initiatives that contribute to improving the attractiveness of the city. In addition, on July 29, 2021, the company and Tokyu Land Corporation announced the Greater SHIBUYA 2.0 urban and community development strategy for the area around Shibuya Station and the greater Shibuya area, aiming to create a sustainable city by providing social value unique to the Tokyu Group. In addition to further strengthening the Entertainment City SHIBUYA and the Greater SHIBUYA Concept that we have been promoting, we will organically connect the three elements of “work,” “play,” and “living,” as well as digital and sustainable elements that form the foundation of these three elements in an aim to realize a Shibuya-style urban life that allows people to experience a way of life that is uniquely their own along with affluence in harmony with people, nature, and society.



Development plan area



Environmental Changes, Risks and Opportunities

To achieve a Long-term Recycling-based Business Model that creates new value through taking on social issues, the Group utilizes the wide range of management resources in our possession while being aware of the external environment, and responds appropriately to the important risks and opportunities.

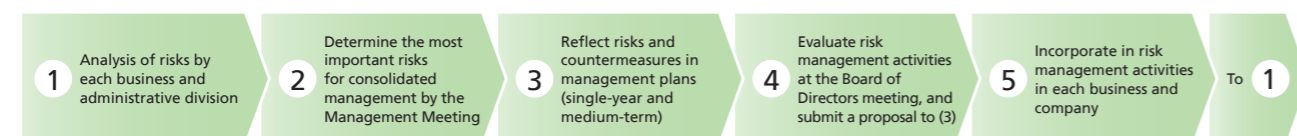
External Environment	Internal Environment/Major Management Resources (as of March 31, 2021)	
Decrease in people traveling and meeting due to COVID-19	(Natural Capital) Lush nature through well-planned urban and community development	Urban landscape that systematically incorporates lush greenery and nature Promotion of decarbonization and energy creation along Tokyu's railway line
Accelerated transition of work and life styles	(Human Capital) Maximizing the diversity of individuals	Number of employees (consolidated) 24,655 Number of non-consolidated employees 1,461 ▶ See page 40 to 43
Shrinking population, declining birthrates and an aging population, and their regional disparities	(Intellectual Capital) Knowledge enhanced by accumulated experience and new challenges	Effective use of accumulated knowledge Gaining new knowledge Effective use of DX ▶ See page 44 and 45
Rapid shift to a decarbonized society at the global level	(Manufacturing Capital) Revenue-generating infrastructure for "work," "live," and "play"	Number of Tokyu Railways stations and passenger carriages 97 stations, 1,259 passenger carriages Office building space for lease Approx. 362,000 m ² Number of (directly managed) satellite shared office facilities 85 Department stores 6 Shopping centers 33 Supermarkets 87 Tokyu Hotels 44
Rapid development of digital technology	(Financial Capital) Stable financial base through accumulation of profits and a long-term perspective	Operating cash flow 85.8 billion yen Equity ratio 28.4% Interest-bearing debt / TOKYU EBITDA multiple* 15.8 times Long-term senior debt rating AA- (JCR) A+ (R&I)
	(Social and Relationship Capital) Trusting relationships with partners through urban and community development	Number of TOKYU POINT members 2.48 million Number of Tokyu Lines Application downloads 820,000 Number of households connected to cable television (households) 1.15 million Number of Tokyu Hotels Comfort Members 680,000 ▶ See page 46 and 47

* TOKYU EBITDA = Operating profit + Depreciation + Amortization of goodwill + Disposal cost of fixed assets + Interest and dividend income + Investment gains (loss) from equity method

Risk Management Process

The Group periodically reassesses its awareness of risks and the status of risk mitigation efforts through the following processes, and strives to avoid the occurrence of risks and minimize their impact if they do occur.

Annual management cycle



Risks and Opportunities

Most important risks	Major risk scenarios	Opportunities	Response
Urgent Risks associated with the spread of new infectious diseases ➔	Risk of significant contraction of economic activities due to voluntary restraint of movement following the reemergence of COVID-19 and the spread of new infectious diseases	◆ Increase in demand for new services and products to prevent infection and meet new lifestyles	◆ Development of new concepts and reforms in each business, and review of business strategies ◆ Lowering the break-even point by reducing fixed costs ◆ Gaining an understanding on market trends and bankruptcy risks of business partners and taking measures to protect them
	Risk of temporary difficulty in continuing operations due to factors including outbreaks of infectious disease clusters at business sites in which we operate and restrictions on attendance		◆ Promotion of diversification of work styles, including telework and telecommuting, and maintenance and improvement of infrastructure in preparation for remote work ◆ Thorough measures to prevent infection in the office
Urgent Risks associated with responding to changes in the business environment ➔	Risk of dramatic changes in market conditions due to changes in taxation and other administrative policies in the areas we do business in	◆ Expansion in demand for suburban offices and satellite shared offices ◆ Expansion in demand for urban infrastructure and services utilizing AI and IoT technologies	◆ Formulation of medium- to long-term business operation policies in light of market conditions and changes in political, economic, and legal systems ◆ Maintaining and improving the ability to attract customers to facilities by improving convenience, providing an attractive tenant mix, and creating buzz
	Risk of difficulty in securing profits and continuing business due to delays in responding to the new normal and accelerated digital transformation triggered by the COVID-19 pandemic, and misjudgment of demand and business potential forecasts	◆ Creation of demand for intra-regional travel and expansion of MaaS and other services ◆ Expansion in demand for experiential value and IENAKA (in-home) services through changes in consumer behavior	◆ Early identification of trends in business performance and signs of changes in business performance, and prompt decision-making and monitoring ◆ Structural reforms in each business, reducing the break-even point ◆ Appropriate portfolio management in line with the business environment
	Risk of a decline in profitability due to a sharp rise in procurement costs caused by fluctuations in various market conditions and an increase in the burden of CO ₂ emission-related expenses	◆ Urban development with an eye on demographic changes in each area ◆ Expansion in demand for decarbonization and circular transportation, urban infrastructure, and life services	◆ Promoting decarbonization in business ◆ Ongoing scrutiny of construction work, including value engineering and cost reduction
Risks regarding response to safety management ➔	Risk of deterioration in financial conditions due to turmoil in financial markets, deterioration in the interest rate environment, downgrades, etc.	◆ Expansion in opportunities for ESG investment and green recovery investment	◆ Flexible control of funds on a consolidated basis and control of procurement risk by fixing interest-bearing debt for a long period ◆ Improvement in the ability to raise funds flexibly through the use of short-term financial markets, including the use of commercial paper ◆ Promoting ESG initiatives to capital markets and issuing ESG bonds
	Risk of being unable to provide services due to damage to facilities and interruption of business and services due to climate change, earthquakes, and other natural disasters		◆ Strengthening of response capabilities, including the establishment of cooperative systems among consolidated companies in the event of natural disasters or the spread of infectious diseases ◆ Assessment of loss and social impact of climate change and countermeasures (prevention and damage minimization) ◆ Improving the effectiveness of risk financing such as earthquake insurance and commitment lines ◆ Operating losses due to climate change, social impact assessment and promotion of implementation of measures in response
	Risk of loss of trust in services and facilities as well as compensation for damages due to accidents caused by human error	◆ Improvement of social and area value through safer and more resilient transportation and urban infrastructure	◆ Collection of information on the occurrence of accidents, and thorough and accurate dissemination of information to related parties to prevent the recurrence of similar incidents ◆ Implementation of various measures in anticipation of disasters caused by terrorism and other illegal acts, as well as problems due to other reasons
Risks regarding compliance ➔	Risk of being unable to provide services due to damage to facilities, death or injury of customers, etc. caused by external factors such as terrorism, etc., as well as the risk of loss of public trust in the services		◆ Efforts to improve compliance awareness ◆ Optimization of consolidated accounting system, standardization of operations through common accounting system for domestic consolidated companies ◆ Implementation and improvement of external security assessments, response training for cyber-attacks, and subscription to cyber insurance
	Risk of loss and damage to public trust in the company due to the discovery of compliance violations, serious errors or irregularities in accounting or other processing, or deficiencies in information management, including IT security		
Long-term Risks regarding working styles and securing of human resources	On the back of a decrease in the working-age population, risk of not being able to secure adequate human resources, which could lead to deterioration in service quality, business contraction, and illegal employment	◆ Securing human resources by realizing a company where everyone wants to continue working through the promotion of job satisfaction, ease of working, and health management	◆ Strengthening recruitment and training of human resources on a consolidated basis and promote utilization of human resources within the Group ◆ Providing diverse and flexible working styles that do not depend on regular, full-time workers

Please see "Climate change risks and opportunities" on page 52 to 54 for details.

Material Sustainability Themes (Materiality)

As the Group's business areas span a wide range, we see social issues to be addressed as a priority by us from a macro perspective. We formulate our six material sustainability themes as a framework for disclosing the state of our initiatives to the public.







Process for Identifying Material Sustainability Themes

We derived social issues that should be resolved utilizing Tokyu's strengths after taking into consideration the history, philosophy, and business direction of the Group. In addition, we obtained objective opinions about the social issues the Group should address from external experts, and reflected these opinions in our considerations.

Please see the following for details on the identification process. (Japanese only)
<https://tokyu.disclosure.site/ja/93/>



Please see "Sustainability Management" on page 48 and 49 for the management process of each indicator.

Material sustainability themes	Social issues to face	Visions for 2030	Initiatives to achieve visions	Approach to setting indicators	Key indicators	FY2020 results	FY2023 targets
Safety & Security	<ul style="list-style-type: none"> Concentration of population in urban areas; aging population; people without public transport access Terrorism and cybercrime; natural disasters and climate change Spread of new infectious diseases Labor shortages 	<ul style="list-style-type: none"> Realization of public transportation services that are the safest in Japan and easy to use Provision of living environments where people can feel safe 	<ul style="list-style-type: none"> Prevention of accidents Alleviation of congestion rate during peak hours Realization of transportation services which people can feel safe using Minimization of disaster risks Ensuring food safety Personal information protection and management 	<ul style="list-style-type: none"> Safety is the most important mission of the transportation business. Each company in the transportation business sets and monitors indicators for accident prevention. We will continue to monitor the peak hour congestion rate under the new normal. 	<ul style="list-style-type: none"> Number of operating accidents and transport disruptions attributable to the company (Tokyu Railways) <ul style="list-style-type: none"> Railway accidents: 0 cases Incidents: 0 cases Transportation disruptions: 6 cases Peak-hour congestion rate (Ikejiri-Ohashi to Shibuya) [Tokyu Railways]: 126% 	<ul style="list-style-type: none"> 0 cases 0 cases — 	<ul style="list-style-type: none"> Monitoring indicators
Urban and Community Development	<ul style="list-style-type: none"> Decrease in working-age population, declining birthrates, and an aging population Response to diversification of lifestyles and working styles Response to new technologies such as AI and IoT Climate change, natural disasters, and a recycling-based society Inbound visitors Response to rapid growth of emerging nations (medical, transportation, living environment) 	<ul style="list-style-type: none"> Realization of management of cities that is unique and attractive in terms of all of "live," "play," and "work" Extended application of expertise for the development of urban and community areas served by Tokyu's railway lines to locations in Japan and overseas 	<ul style="list-style-type: none"> Shibuya redevelopment Next-generation suburban development Development of domestic locations outside the areas served by Tokyu's railway lines Airport management business (regional invigoration) Overseas urban and community development (improvement of environment for housing, transportation, education, medical care, etc.) 	<ul style="list-style-type: none"> In order to realize self-contained and dispersed urban structures, we will promote the functional arrangement of work, live, and play We are monitoring the demographic trends (population increase/decrease, age structure, etc.) along Tokyu's railway lines as one of the result indicators for creating attractive communities 	<ul style="list-style-type: none"> Number of users of NewWork shared satellite offices per month: 9,967 people Annual number of consultations with the housing and living concierge (including consultations on measures to deal with vacant houses, etc.): 1,200 cases Population growth rate in 17 municipalities along Tokyu's railway lines: +0.531% 	<ul style="list-style-type: none"> 25,000 people 2,500 cases 	<ul style="list-style-type: none"> Monitoring indicators
Quality of Living Environment	<ul style="list-style-type: none"> Decrease in working-age population, declining birthrates, and an aging population Response to diversification of lifestyles and working styles Response to new technologies such as AI and IoT 	<ul style="list-style-type: none"> Realization of life in which each person can maintain his/her good health and pursue individual happiness 	<ul style="list-style-type: none"> Promotion of enriching and healthy lifestyles through utilization of technology and other means Provision of life facilities and services fitting diverse generations Support for persons—such as the elderly—with difficulties in buying things Provision of products and services utilizing data for stores, e-commerce, IENAKA (in-home), etc. 	<ul style="list-style-type: none"> In order to develop digital urban infrastructures along Tokyu's railway lines, we aim to create a comfortable and connected communications environment. In order to support a variety of work styles, we are working to improve our nursery school and school children's facilities. We will also strengthen e-commerce for daily necessities and retail products, for which needs are increasing under the new normal. 	<ul style="list-style-type: none"> Installation rate of 5G sharing antennas at Tokyu Line stations: 0% Number of nursery school and school children's facilities (including leased, direct management, and publicly commissioned) [Tokyu Kids Base Camp / Tokyu Corporation]: 89 facilities Number of stores shipping through online supermarkets [Tokyu Store]: 17 stores 	<ul style="list-style-type: none"> 75% 100 facilities — 	<ul style="list-style-type: none"> —
HR Development	<ul style="list-style-type: none"> Decrease in working-age population, declining birthrates, and an aging population Achievement of human rights Securing of occupational fields for diverse human resources (senior citizens, women, foreigners, etc.) Provision of opportunities for lifelong learning to diverse generations Creation of local communities 	<ul style="list-style-type: none"> Realization of "a company where every worker hopes to work for a long time" Promotion of human resources development by contributing to society through education, culture, and environmental preservation activities 	<ul style="list-style-type: none"> Provision of working environments where people can continue to work Provision of working environments where anyone can fully apply their abilities Cultural business and activities, and provision of opportunities for lifelong learning and enlightenment Social contribution activities through activities of Tokyu associations, schools, foundations, etc. 	<ul style="list-style-type: none"> We are committed to maintaining the mental and physical health of our employees and promoting their personal growth. We will encourage the active participation of women and the use of childcare leave by men in order to create a corporate culture where diversity can be turned into strength. 	<ul style="list-style-type: none"> Employee engagement: BB Female management job ratio: 8.3% Male childcare leave acquisition rate: 80.0% Utilization rate of education system rate: 8.5% Health management goals: <ul style="list-style-type: none"> Obesity rate: 36.9% Smoking rate: 24.1% Exercise habit rate: Male 44.2% / Female 27.6% 	<ul style="list-style-type: none"> A 10% or above 100% 30% or above 35% or below 22% or below 50% or above 	<ul style="list-style-type: none"> —
Decarbonation, recycling-based Society	<ul style="list-style-type: none"> Climate change and natural disasters Maintaining of ecosystems Responsibility in the supply chain Resource depletion and a recycling-based society 	<ul style="list-style-type: none"> Contribution to the creation of a carbon-free society through energy saving and the optimized use of renewable energies Contribution to creating a recycling-based society by promoting the effective use of resources and consideration for the ecosystem 	<ul style="list-style-type: none"> Reduction of CO₂ emissions Effective utilization of resources (recycling-based society) Encouraging behavior that gives consideration to ecosystems Sustainability procurement 	<ul style="list-style-type: none"> We are working on themes tailored to each industry in order to reduce the burden on the global environment and curb global warming. 	<ul style="list-style-type: none"> CO₂ emissions from electricity use (t-CO₂) [Consolidated]: See page 50 to 55 CO₂ emissions from all energy sources [Consolidated]: See page 50 to 55 Acquisition of environmental certification for facilities (cumulative total): 7 facilities 	<ul style="list-style-type: none"> Same as left Same as left 9 facilities 	<ul style="list-style-type: none"> —
Corporate Governance & Compliance	<ul style="list-style-type: none"> Corporate scandals and fraud, disclosure of non-financial information Sustainable corporate management Achievement of human rights 	<ul style="list-style-type: none"> Achievement of the best possible corporate governance directly linked to society and the global business environment Implementation of compliance to realize a harmonious society 	<ul style="list-style-type: none"> Ensuring fairness and transparency of management through highly effective corporate governance All-inclusive and continuous compliance education and establishment of an effective and efficient management system 	<ul style="list-style-type: none"> We are working to ensure the independence and diversity of the Board of Directors. We are working to prevent accidents and scandals from occurring and to prevent their recurrence throughout the company by providing thorough compliance education. 	<ul style="list-style-type: none"> Ratio of independent outside directors: 1/3 Number of female directors: 2 people Number of incidents of serious violations of laws and regulations [Consolidated]: 0 cases Rate of participation in compliance-related training: 93.3% 	<ul style="list-style-type: none"> 1/3 or above 2 people or more 0 cases 100% 	<ul style="list-style-type: none"> —

* If the scope is not stated, Tokyu Corporation is the target.

Please see below for the relationship of each of the key sustainable themes to the 17 goals of the SDGs and the Group's actions toward the targets. (Japanese only)
<https://tokyu.disclosure.site/ja/93/>



In April 2019, we signed the United Nations Global Compact, a global initiative proposed by the United Nations. We support the ten principles in the four areas of human rights, labor, environment, and anti-corruption, and will continue to promote further sustainability initiatives.



Message from the CFO



Achieving sustainable management through financial management that supports corporate value enhancement

Hirohisa Fujiwara
Managing Executive Officer

Quantitative Targets of the New Three-year Medium-term Management Plan

The quantitative targets to be achieved in the first year of the three-year medium-term management plan that started in FY2021 are TOKYU EBITDA* of 118.7 billion yen, operating profit of 20.0 billion yen, and an interest-bearing debt/TOKYU EBITDA ratio of 10.3 times.

In the first year of the plan, we will steadily implement structural reforms and other measures to ensure that we return to profitability, and at the same time, we will proceed with reforms to restore the scale of earnings to that before the COVID-19 pandemic as soon as possible.

In the second and subsequent years, we will continue to work for a steady recovery of profits in each business. Although the situation with the COVID-19 infection is still uncertain, we will make company-wide efforts to restore profits and steadily control costs, aiming to restore

the trust of capital markets and stakeholders. In addition, we will maintain our financial health by aiming for a recovery in the interest-bearing debt to TOKYU EBITDA ratio to the level of 7 times.

The recent pandemic reminded us once again that many of our main businesses have heavy fixed costs. Going forward, we will also include the idea of reducing fixed costs in our business structure reform. In terms of cost reduction, we implemented a total of about 20 billion yen in cost reduction in each business in FY2020. From FY2021 onward, we will continue to implement cost reduction, including fixed costs.

We will review and re-examine our investment plans according to our business performance, with an awareness of financial health. We will steadily implement investments in safety, maintenance and renewal, ongoing large-scale projects in Shinjuku and Shibuya, and investments related to structural reform.

Improving Long-Term Financial Health

We focus on ensuring health in our financial strategy from a long-term perspective. Because our business relies on owning, operating, and managing large-scale facilities, it is important to properly manage interest-bearing debt. In the new medium-term management plan, we are considering the implementation of capital investment with an upper limit of interest-bearing debt of approximately 1,200 billion yen. The company is required to have a stable repayment capacity, so one of the guiding principles is an EBITDA multiple in the level of 7 times. Focusing on cash flow is the key to ensuring soundness.

On the other hand, it is important not to let the value of our assets, which cover a wide range of types including securities and fixed assets, decline. As a corporate group, we are required to improve our income and expense structure. However, for businesses that are difficult to recover in the short term, such as the hotel and department store businesses, we need to make company-wide efforts to secure asset value while discussing the issue with the Structural Reform Committee, and these efforts have already begun.

Investment Plan for Sustainable Growth

Having been in the railway business since our founding, we have a very high sensitivity to safety. For example, the topography of Shibuya is a mortar-shaped area where rain tends to accumulate, so a large water reservoir was placed underground in Shibuya, and the Den-en-toshi Line was elevated to avoid flooding of the Tama River as part of our efforts to always avoid risks and keep safety and security in mind. Accordingly, our top priority is to steadily provide safe and secure investments for all the facilities we operate.

Our next priority is sustainable and attractive urban and community development. For the past ten years, we have been focusing on investments in urban centers. Over the next ten years, we will focus our investment portfolio on the areas along the Tokyu railway lines, with a particular emphasis on Shibuya and other locations along the Tokyu railway lines, in order to add value to these areas. We will be more active than ever in suburban development, and will invest aggressively to create a second Futako-tamagawa and a second Minami-machida.

Returns to Shareholders

We aim to achieve long-term sustainable returns on dividends. We regrettably reduced the dividend for FY2020

due to deteriorating business performance, and plan to pay the same amount of 15 yen for FY2021. Going forward, as stated in the long-term management initiative, we will continue to pay stable dividends as we aim for a dividend payout ratio of 30% or more in the medium to long term, while taking into consideration financial health, capital efficiency, free cash flow status, and other factors, and aiming to return profits to shareholders with an awareness of the total return ratio.

Building Relationships of Trust with Stakeholders to Enhance Corporate Value

What struck me about IR for institutional investors in Europe was the high level of environmental awareness among people. I was made keenly aware of the fact that listed companies are strongly called on to contribute to society and the environment, and at the same time, the companies themselves believe that this is their reason for being. While our company has been engaged in urban development and business with ideas that are in line with the SDGs, now more than ever, we need to instill a way of thinking that makes contributions to the environment and society our reason for being. Although environmental initiatives are often considered to be detrimental to profitability, through the practice of TCFD and the continuous issuance of sustainability bonds, we will promote environmental contribution and decarbonization initiatives from the perspective of financial management as well, leading to increased corporate value.

Having worked for the Tokyu Group for a long time, I have experienced changes in the social background and environment. During this time, the scope of our business has been gradually broadening and the boundaries between businesses have been becoming more and more difficult to distinguish, which has led to a change in the way we manage our organization. Therefore, more than ever, we are required to engage with our stakeholders, including customers, employees, local communities, business partners, shareholders and investors.

As the CFO, I believe that the role is to support each business strategy with financial strategies and explaining the direction that top management has set for the company, using concrete figures and taking into account the logic of capital markets, in a simple and easy-to-understand manner both inside and outside the company, and that it is the mission of the finance division to provide backup for the entire group.

* TOKYU EBITDA = Operating profit + Depreciation + Amortization of goodwill + Disposal cost of fixed assets + Interest and dividend income + Investment gains (loss) from equity method

Strategies and Achievements by Business



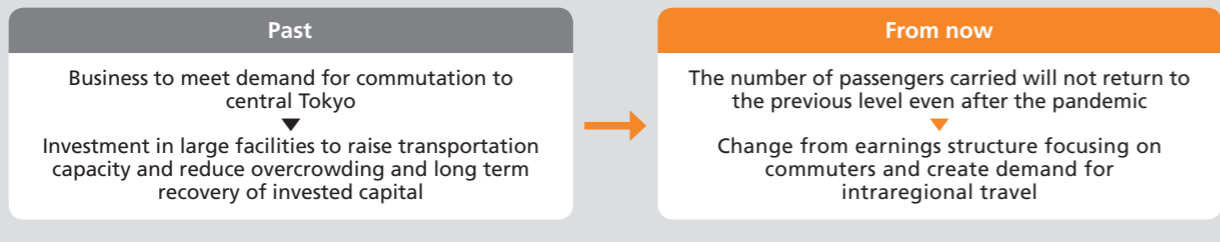
Transportation Infrastructure
(Transportation Segment)

▶ See "Business Overview" on page 6

Characteristics and Strengths of the Transportation Infrastructure Business

- A highly convenient network with direct interconnections
- Safe, secure, universal, and comfortable services

Changes in the Business Environment and a Shift in Business Strategy



Business Conditions

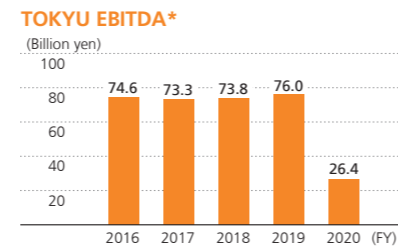
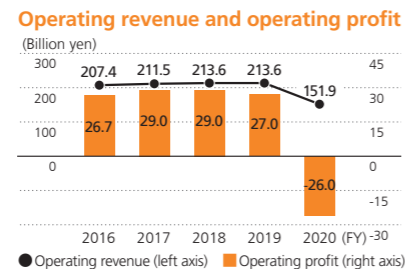
In FY2020, the number of passengers transported by Tokyu Railways' railway business declined by 33.7% for commuter pass, 29.6% for non-commuter pass, and 32.1% overall, due to a decline in customer use caused by the spread of the coronavirus, and the segment recorded an operating loss. Under these circumstances, we recognize that the way our customers work and behave will not return to the way it was before the COVID-19 pandemic, and we are working on

business structure reform by optimizing our service system, expanding one-man driving, and using technology to enhance our business operations. While fulfilling our responsibilities as a public transportation provider, including safe and stable transportation, we will contribute to the development of the region by generating human mobility, interaction, and connections with the city.

▶ Results for FY2020 (Transportation Segment)

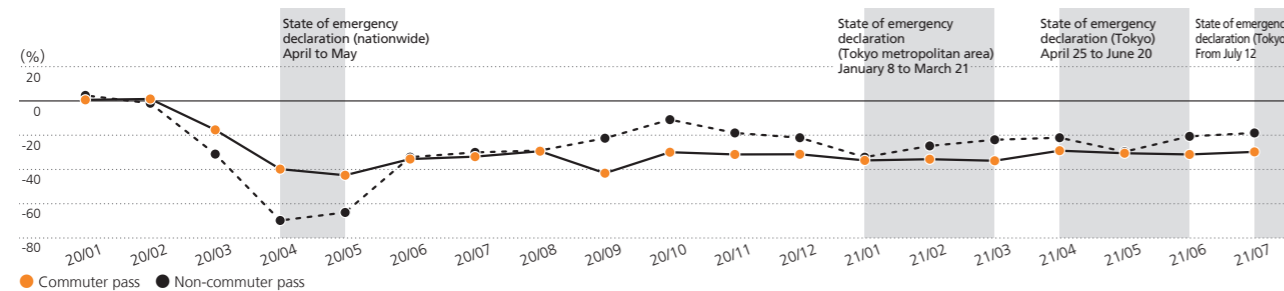
Operating revenue
151.9 billion yen 28.9% decrease YoY

Operating loss
26.0 billion yen - YoY



* TOKYU EBITDA = Operating profit + Depreciation + Amortization of goodwill + Disposal cost of fixed assets + Interest and dividend income + Investment gains (loss) from equity method

▶ Changes in the Number of Passengers Transported by Tokyu Railways (compared to the same month in 2019)



Due to the impact of the spread of COVID-19, the number of passengers transported has decreased significantly. In particular, when the state of emergency was first declared, the number of non-commuter pass dropped to about 70% of the previous year's level. Since then, there has been a leveling off trend, but the situation after the COVID-19 situation normalizes is not foreseeable.

Strategies in the Three-year Medium-term Management Plan

Pursue safety and security, aim to achieve both public benefit and profitability at high levels, and reform operations using technology to strengthen the business structure

Pursuing safety and security

- Maintenance of good facility condition and accident prevention**
- Ensure thorough facility renewal and inspections required
 - Implement disaster control measures

Improvement of recovery capacity after accidents

- Renew and improve control center facilities
- Increase educational functions (improve HR and technical skills)



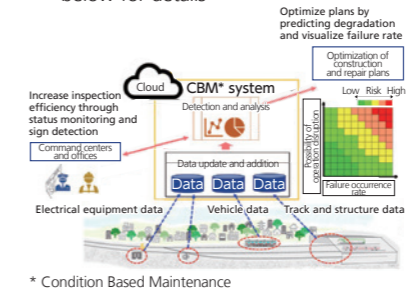
Universal services

- Reduce gaps between platforms and train floors
- Place more barrier free facilities (use of apps, etc.)

Reforming operations

Transformation of operations through the use of technology, etc.

- See "Initiatives for transformation" below for details

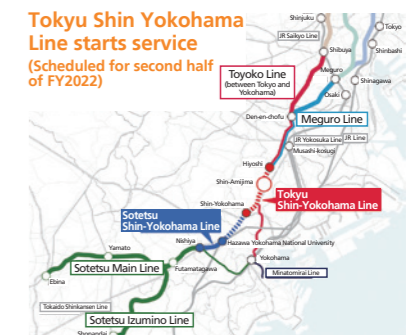


Increase resistance to changes in demand

Improving earnings structures of Tokyu bus, airport operation business, regional transportation business, etc. and thoroughly meeting demand for recovery

Increasing convenience

Tokyu Shin Yokohama Line starts service (Scheduled for second half of FY2022)



Increase services such as paid seating



Initiatives for Transformation

Three reforms at Tokyu Railways

As demand is not expected to recover to what it was before the coronavirus pandemic, we will place the highest priority on reforming our business structure to fulfill our social mission, and we will strengthen our business foundation by reducing fixed costs and improving productivity through the following three reforms.

(1) Reform of operation and station service systems

Appropriate number of trains, moving up the last train time, reviewing station staffing, etc.

(2) Transformation of operations through the use of technology

Study and implementation of one-man driving on the Toyoko Line, upgrading of customer service and maintenance operations using digital technology, etc.

(3) Reform of internal systems and rules that are not bound by old customs

Promotion of inter-departmental collaboration among engineers, introduction of flexible work arrangements in operation and transportation departments, etc.

Main Initiatives in FY2020

Ensuring safe and stable transportation

As part of our efforts to prevent the spread of COVID-19, we have applied anti-viral and anti-bacterial treatment to all our trains and station facilities. In February 2021, we completed the installation of non-contact, automatic water faucets in the toilets at stations on the Tokyu Line.

In the area of barrier-free services, we received the Prime Minister's Award at the 2020 Promotion of Barrier-Free Universal Design Prize for our completion of the installation of platform screen doors and fixed platform railings with sensors, as well as for our software-related efforts.

In July 2020, we completed the installation of IoT, the first security camera in the railway industry to be integrated with LED fluorescent lights and equipped with a high-speed communication function, in all of our trains to improve safety on board.



Realization of comfortable transportation services

We are also taking on the challenge of creating more comfortable transportation services using digital technology, such as the DENTO project, a new service demonstration along Tokyu's railway lines to meet the transportation and employment needs of urban commuters, which have been greatly transformed by COVID-19.



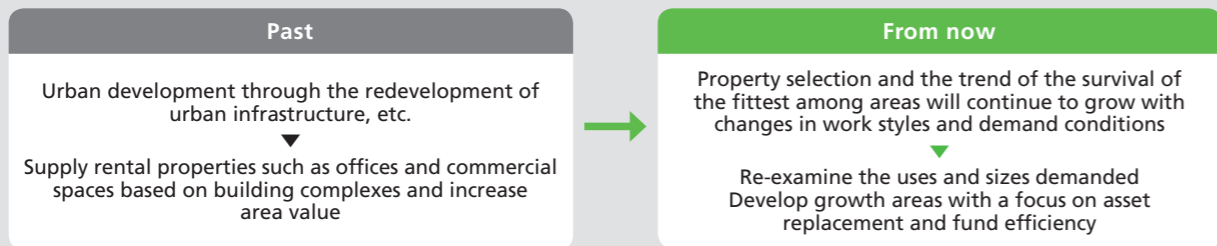
Urban Development
(Real Estate Segment)

▶ See "Business Overview" on page 6

Characteristics and Strengths of the Urban Development Business

- Development of areas that are not stand-alone facilities to address the issues in cooperation with the local community and government
- "Work," "live" and "play" are functionally developed, centered on railway lines

Changes in the Business Environment and a Shift in Business Strategy



Business Conditions

In the real estate segment in FY2020, operating profit was on par with the previous year due to growth in the real estate sales business, despite the impact of the closure of commercial facilities due to the declaration of a state of emergency. In the office leasing business, vacancy rates have been on the rise due to the effects of COVID-19, but the properties we own have remained low compared

to the respective district averages.

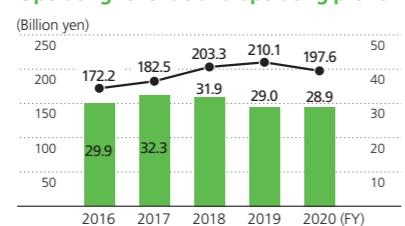
On the other hand, in terms of commercial facilities, sales at suburban facilities located along Tokyu's railway lines, such as Futako-Tamagawa Rise and Minami-Machida Grandberry Park, are gradually recovering compared to facilities in central Tokyo areas.

▶ Results for FY2020 (Real Estate Segment)

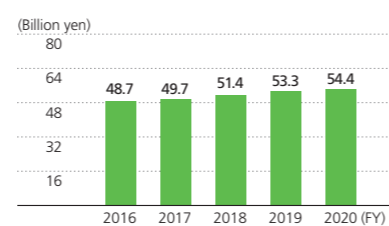
Operating revenue
197.6 billion yen 6.0% decrease YoY

Operating profit
28.9 billion yen 0.1% decrease YoY

Operating revenue and operating profit



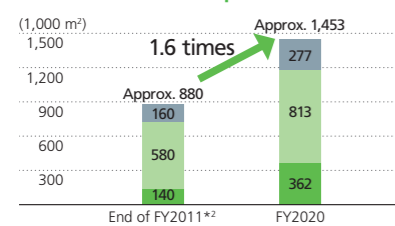
TOKYU EBITDA*



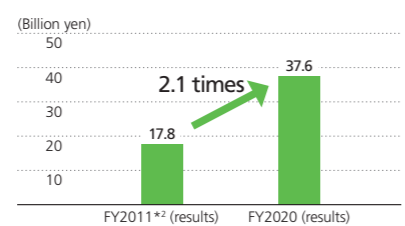
* TOKYU EBITDA = Operating profit + Depreciation + Amortization of goodwill + Disposal cost of fixed assets + Interest and dividend income + Investment gains (loss) from equity method

▶ Enhancement of Portfolio in the Real Estate Leasing Business

Area of leased floor space**



TOKYU EBITDA**



■ Offices ■ Commerce ■ Other
*1 The Company's ownership *2 Before the opening of Shibuya Hikarie

We will continue to promote the development of unique and attractive towns by promoting mixed-use development in Shibuya and along railway lines, as well as continuous acquisition of properties.

Strategies in the Three-year Medium-term Management Plan

Implement Tokyu's unique urban and community development that will enhance area value, and play a central role in consolidated business profit, and raise profitability to drive profit growth

Implementation of the Shinjuku redevelopment project

Bringing an unparalleled hotel and entertainment complex from Japan to the world

- Implementing entertainment planning that organically connects the community and the building and meets diversifying needs



Shinjuku Kabukicho 1-chome Redevelopment Project
(scheduled to be complete in FY2022)
Site: approx. 4,800 m²
Total floor area: approx. 87,000 m²
Use: Hotel, theater, cinema, commercial facilities, etc.

Evolving to urban management

Efforts for self-contained and dispersed urban structures, Tokyu area city

- Promote the development of facilities that become the center of the regional economic sphere
- Solve issues through public- and private-sector partnerships and develop unique communities
- Enhancement of shared offices, small offices, etc.

Strengthening of housing-related businesses and revitalize Tokyu areas

- Plan products with a focus on proximity between work and home and telecommuting and promote the appeal of Tokyu areas



Shin-Tsunashima Station District urban redevelopment project type 1
(scheduled to open in FY2023)
Site: approx. 3,890 m²
Total floor area: approx. 37,560 m²
Use: Apartments, commercial facilities, public interest facilities, etc.

Improvement of asset recycling building business

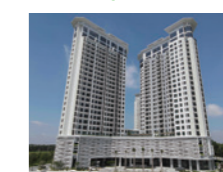
Early contribution to consolidated profit (reduce timeframe)

- Establish a business with a focus on fund efficiency
- Use pipeline with TOKYU REIT, etc.



Promotion of overseas urban and community development

Project implementation in Vietnam, Thailand, etc.



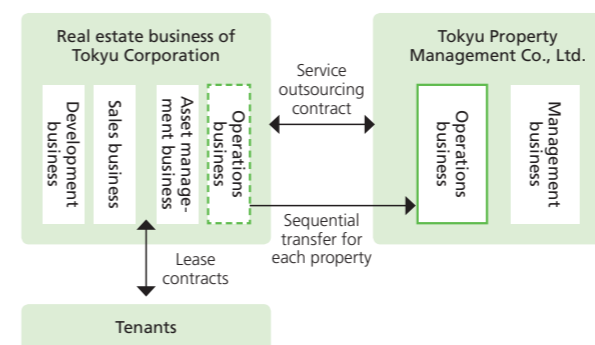
SORA gardens II
(scheduled to be complete in FY2021, Binh Duong New City, Vietnam)

Initiatives for Transformation

▶ Optimization of real estate management system

As part of the reorganization of functions in the real estate management business, the business has been gradually transferred to Tokyu Property Management, a consolidated subsidiary, from April 2021, making it possible to provide one-stop services for both the operation and management functions of leased assets. This will enable us to respond to the diverse needs of owners, tenants, and users of rental assets from the customer's perspective and with a sense of speed, thereby contributing to the enhancement of the value of rental assets and expanding our fee-based business.

▶ Conceptual diagram of this business transfer



Main Initiatives in FY2020

▶ Initiatives in the Shibuya Station area development project

In August 2020, we concluded a comprehensive cooperation agreement with Shibuya Ward with the aim of realizing the world's leading city, Entertainment City SHIBUYA. In January 2021, the development around Shibuya Station, which is being implemented mainly by the company and Tokyu Land Corporation, won the BRONZE AWARD in the Best Mixed-Use Development category at the MIPIM Asia Awards 2020*.

In addition, have worked on infrastructure development through public-private partnerships. In August 2020, we completed the construction of a rainwater harvesting facility at the east exit of Shibuya Station as a measure against flooding.



Shibuya Scramble Square
[Courtesy of Shibuya Scramble Square (same on cover)]

*This is one of the most prestigious awards in the real estate industry in Asia.

▶ Promotion of urban and community development in areas along Tokyu's railway lines

Since its opening in November 2019, Minami-Machida Grandberry Park, which integrates a station, commercial facilities, and an urban park, has become an attractive base for living that is unprecedented in Japan, and is bustling with activity even as new lifestyles are changing, contributing to the enhancement of value along the line. In October 2020, it won the "40th Green City Award" Minister of Land, Infrastructure, Transport and Tourism Award and the "8th Platinum Vision Award" Award for Excellence, New Era Town Development Award.



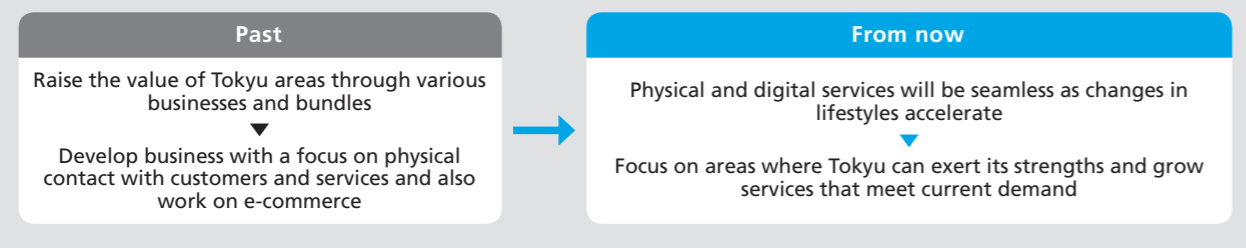
Lifestyle Service and Retail (Life Services Segment)

▶ See "Business Overview" on page 7

Characteristics and Strengths of the Lifestyle Service and Retail Business

- Build a wealth of customer contacts and trust through IENAKA (in-home) and MACHINAKA (downtown) business, supporting the lives of various generations of customers with diverse needs

Changes in the Business Environment and a Shift in Business Strategy



Business Conditions

In the life services segment in FY2020, Tokyu Store posted higher income, and companies involved with daily living, such as its communications Inc., performed well. However, companies such as Tokyu Department Store were forced to refrain from going out due to the

spread of COVID-19 and closed facilities due to the declaration of a state of emergency, and an operating loss was recorded as a result. We are promoting structural reforms in order to respond to changes in the market.

▶ Results for FY2020 (Life Services Segment)

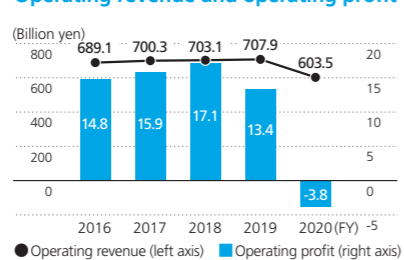
Operating revenue

603.5 billion yen 14.7% decrease YoY

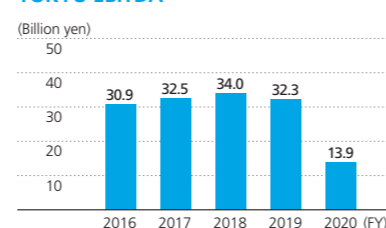
Operating loss

3.8 billion yen - YoY

Operating revenue and operating profit

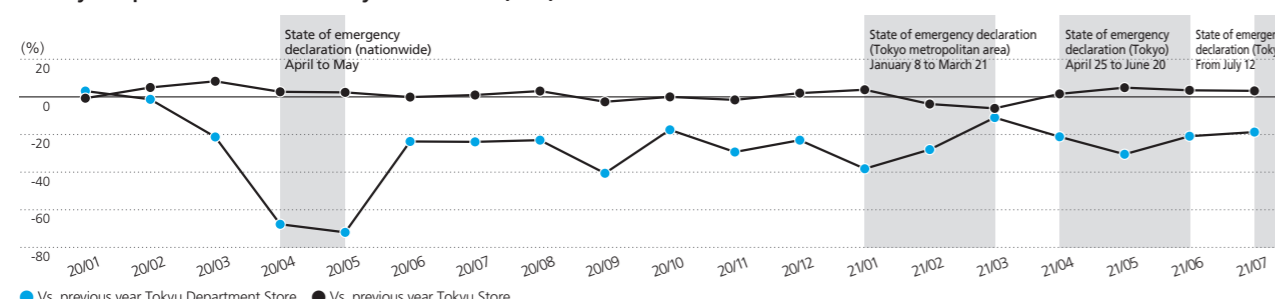


TOKYU EBITDA*



* TOKYU EBITDA = Operating profit + Depreciation + Amortization of goodwill + Disposal cost of fixed assets + Interest and dividend income + Investment gains (loss) from equity method

▶ Tokyu Department Store and Tokyu Store Sales (YoY)



* Although the Accounting Standard for Revenue Recognition has been applied from April 2021, the above figures are based on the previous accounting standard and are comparisons with the same month in 2019 (to compare the impact of the spread of COVID-19).

[Tokyu Department Store] Although sales have been recovering since the beginning of 2021, but due to the declaration of a state of emergency on April 25, some of our stores were closed.

[Tokyu Store] Sales have been steady.

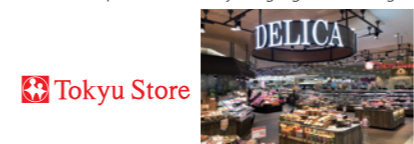
Strategies in the Three-year Medium-term Management Plan

By evolving into businesses and services that respond to new lifestyles, we will strengthen the competitiveness of each business and contribute to consolidated profits

Providing value through the lifestyle infrastructure business

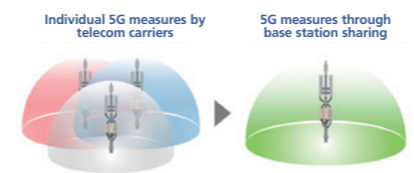
Profit growth by responding to IENAKA (in-home) demand

- Promote opening of Tokyu Stores, Improve e-commerce
- Increase operation efficiency using digital technologies



Selective implementation of strategic investments

- Strengthen the ICT business
 - Participate in the business of 5G base station sharing
 - Raise competitiveness using mesh Wi-Fi and FTTH (fiber to the home)



Upgrading services to meet customer needs and current demand

Develop a "concierge" system by establishing profound relationships with Tokyu area customers and improving proposal skills

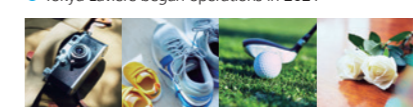


- Aim to increase services and expand business as the comprehensive provider of IENAKA (in-home) solutions

House cleaning	Housekeeping
Repair and maintenance	Handling of problems
Renovation	Tidying up
Online supermarket	

In the face of a super-aging society, we provide one-stop services that accompany the future lives of customers

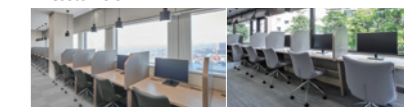
- Tokyu Laviere began operations in 2021



Grow shares in new markets by responding to rapid changes in working styles



- Corporate membership office-sharing business* Focus on increasing the rate of use and number of customers



More than 270 locations across Japan with more than 450 member companies (as of August 2021)
* The corporate membership shared office business is included in the real estate segment

Increase the profitability of individual businesses

- Examine value provided and income/expenditure structure
- Redefine the meaning and role of the company and restructure its business and services for the next generation

Initiatives for Transformation

Structural reform of department store business

In addition to promoting store hybridization and store structural reforms, such as more efficient sales floor operations, we will also work to improve the efficiency of back-office operations, services, and sales promotions, and fundamentally review our cost structure, including a digital shift.

Reform store structures, close unprofitable stores

- Implement hybrid operation at more stores
- Reduce self-operated sales floor and raise the efficiency of sales floor operation
- Restructure retail business in the consolidated group

Make back-office, services, and sales promotion more efficient Shift to digital operations



Main Initiatives in FY2020

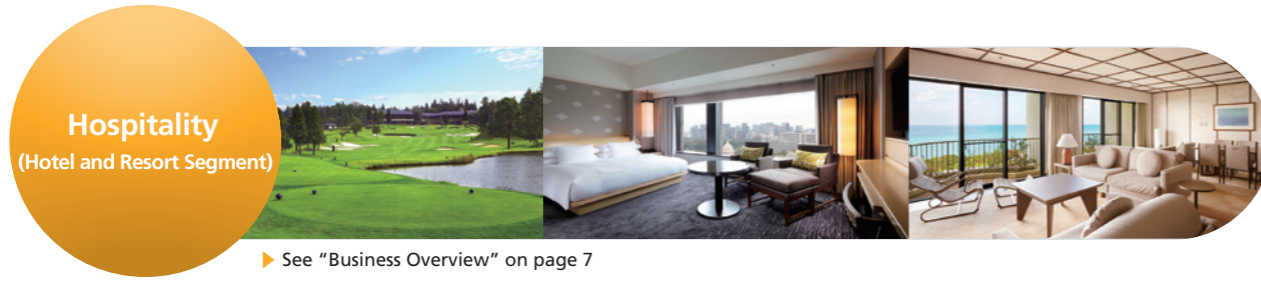
Advancement of digital marketing and communication environment

Rakuten Tokyu Planning was jointly established with Rakuten (now Rakuten Group) to capture changes in customer lifestyles and purchasing behavior, and to promote the improvement and efficiency of various services by utilizing various customer data, and commenced operations in September 2020.

In February 2021, we established Sharing Design, a company that provides 5G base station sharing services, together with Sumitomo Corporation, with the aim of quickly developing an advanced communications environment along the Tokyu Line. We will accelerate the study and introduction of new services in response to the increasing sophistication of communications, and aim to realize our concept of "City as a Service," an approach to future urban and community development that actively utilizes digital technology.



Rakuten Tokyu Planning, Inc.



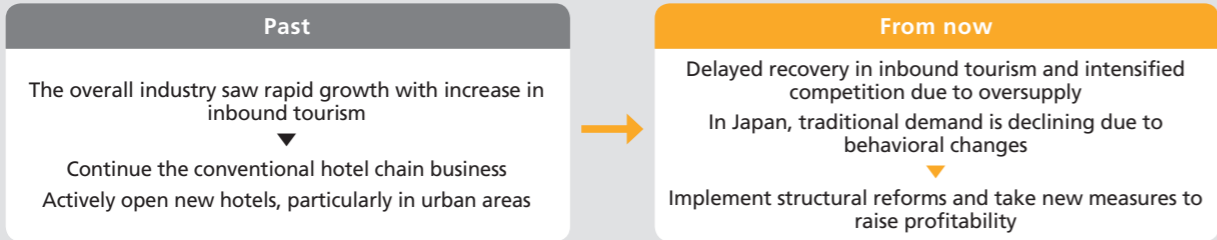
Hospitality
(Hotel and Resort Segment)

▶ See "Business Overview" on page 7

Characteristics and Strengths of the Hospitality Business

- Providing hospitality services that enhance the quality of life and responding to the diversification of values and lifestyles with trusted brands nationwide

Changes in the Business Environment and a Shift in Business Strategy



Business Conditions

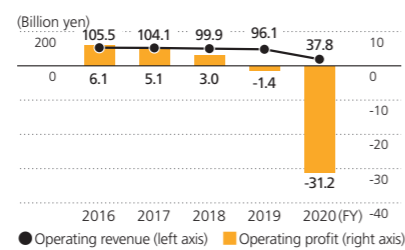
In FY 2020, the hotel and resort segment recorded a large operating loss due to store closures caused by the spread of COVID-19 and a decline in inbound demand. Occupancy rates at Tokyu Hotels fell sharply due to restrictions on domestic and international travel. Although the occupancy rate gradually recovered after the declaration of the state of emergency was lifted in May 2020, it began to

decline again after the second declaration of the state of emergency in January 2021, resulting in a full-year rate of 31.0%, a decrease of 45.6 percentage points YoY. Under these circumstances, in order to evolve into a hotel chain that is resilient in response to changes in the external environment, we are promoting a drastic change in our cost structure, including through reductions in fixed costs.

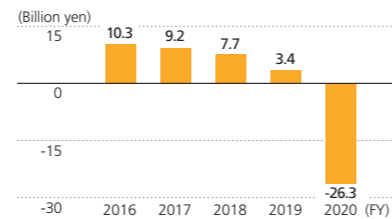
▶ Results for FY2020 (Hotel and Resort Segment)

Operating revenue
37.8 billion yen 60.6% decrease YoY
Operating loss
31.2 billion yen - YoY

Operating revenue and operating profit

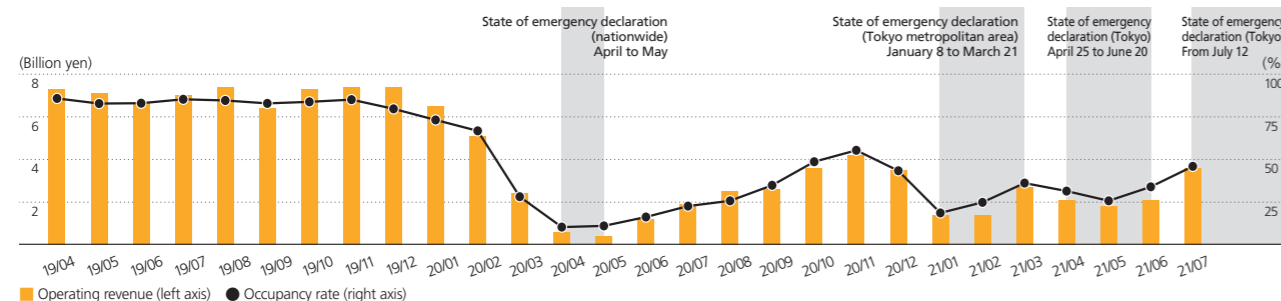


TOKYU EBITDA*



* TOKYU EBITDA = Operating profit + Depreciation + Amortization of goodwill + Disposal cost of fixed assets + Interest and dividend income + Investment gains (loss) from equity method

▶ Hotel Gross Revenue and Occupancy Rate for Tokyu Hotels (actual)



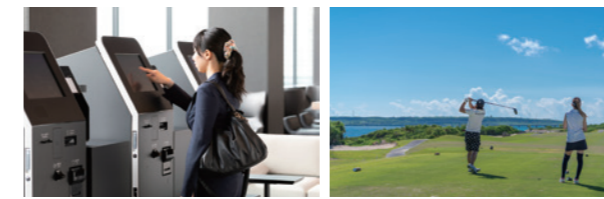
With the re-issuance of the emergency declaration, the occupancy rate temporarily dropped significantly. However, it is now gradually recovering.

Strategies in the Three-year Medium-term Management Plan

We will promote structural reforms in each of our businesses to achieve a quick recovery from the COVID-19 pandemic and develop measures to respond to behavioral changes and changes in the market environment for future growth.

Structural reform of each business

- Hotel Business
Build a structure that is resilient to changes in the business environment by changing the cost structure and improving profitability
- Time-share resort business
Transformation of service structure and operating system
- Linen supply business
Reorganize production systems at linen and supply factories
- Golf business
Improvement of profitability and brand power by responding to diversification of usage styles



Hotel self check-in kiosk

Supporting a variety of usage scenarios

Responding to behavior change and market environment change

Tokyu Hotels and Tokyu Sharing are strengthening the provision of products and services tailored to new working styles, such as working vacation and teleworking, which have spread rapidly in face of the COVID-19 pandemic. We will focus on new initiatives that respond to behavioral changes and changes in the market environment by promoting the use of guest rooms and capturing the needs of long-term users.



Workation in an urban hotel or resort

Acquisition of long-term demand

In April 2021, we began providing advance trial for tsugi tsugi, a fixed-rate, migratory living arrangement service targeting 35 Tokyu Hotels and four Tokyu Sharing facilities. It is a service that realizes a way of living that is like traveling.



Opening of new hotels to meet future growth

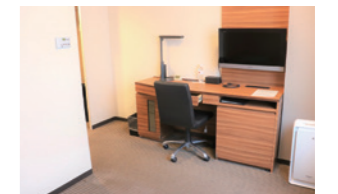
With a focus on key strategic areas, Tokyu Hotels is working to strengthen its competitiveness and enhance its brand power through opening new hotels in response to diversifying markets and lifestyles and to new customer needs.

[Planned opening]

- Kyoto: Former Kyoto Moto Shirakawa Elementary School Site Hotel Plan (tentative name)
July 2022 opening/ 168 rooms planned
- Shinjuku: Kabukicho 1-chome Area Development Plan (tentative name)
Construction to be completed in 2022 / approx. 600 rooms
- Sapporo: Sapporo Susukino Station Complex Development Project (tentative name)
Opening in December 2023 / approx. 470 rooms

Using guest rooms as offices

Tokyu Hotels has formed a partnership with NewWork, a membership-based satellite shared office business for corporate clients operated by the Company, and currently 11 facilities are participating. This is an initiative to use guest rooms that are close to stations and equipped with Wi-Fi and work environment as private rooms for web conferences.



Rooms available for teleworking

Initiatives for Transformation

Structural reform of the hotel business

In order to improve profitability in the hotel business, we will work on securing occupancy rates by diversifying room types, reforming the food and beverage model by changing restaurant models, and reconfiguring the hotel network. At the same time, we will flexibly change channels in response to changes in the environment, such as strengthening measures to attract customers in the domestic market and attracting Millennials and affluent customers, and shift to a cost structure commensurate with the scale of revenue.

Increase profitability

Change channels according to environmental changes

Minimize fixed costs

Main Initiatives in FY2020

New travel styles in response to the COVID-19 pandemic

Micro-tourism has become an established style of travel due to the restriction of activities caused by the spread of COVID-19. Fujisan Mishima Tokyu Hotel, which opened in Shizuoka Prefecture in June 2020, offers a new style of travel with convenient access from the Tokyo metropolitan area, sightseeing in the surrounding areas of Fuji, Hakone, and Izu, and cooperation with the nearby Five Hundred Club golf course.



Fujisan Mishima Tokyu Hotel

Five Hundred Club

Human Capital (Business Leaders)

-Maximizing the diversity of individuals

Characteristics and Strengths of Human Capital

In order to become a company where every worker hopes to work for a long time, we are promoting an environment where diverse human resources can play an active role and where it is easy for everyone to work, through diversity management and work style innovation, as well as providing various training programs to improve individual skills.

In the midst of dramatic changes in the world, as a driving force for change, we will achieve sustainable growth by supporting the maximization of diversified individuals and returning their individual growth to the company.

(As of March 31, 2020 or 2021, scope is the company)

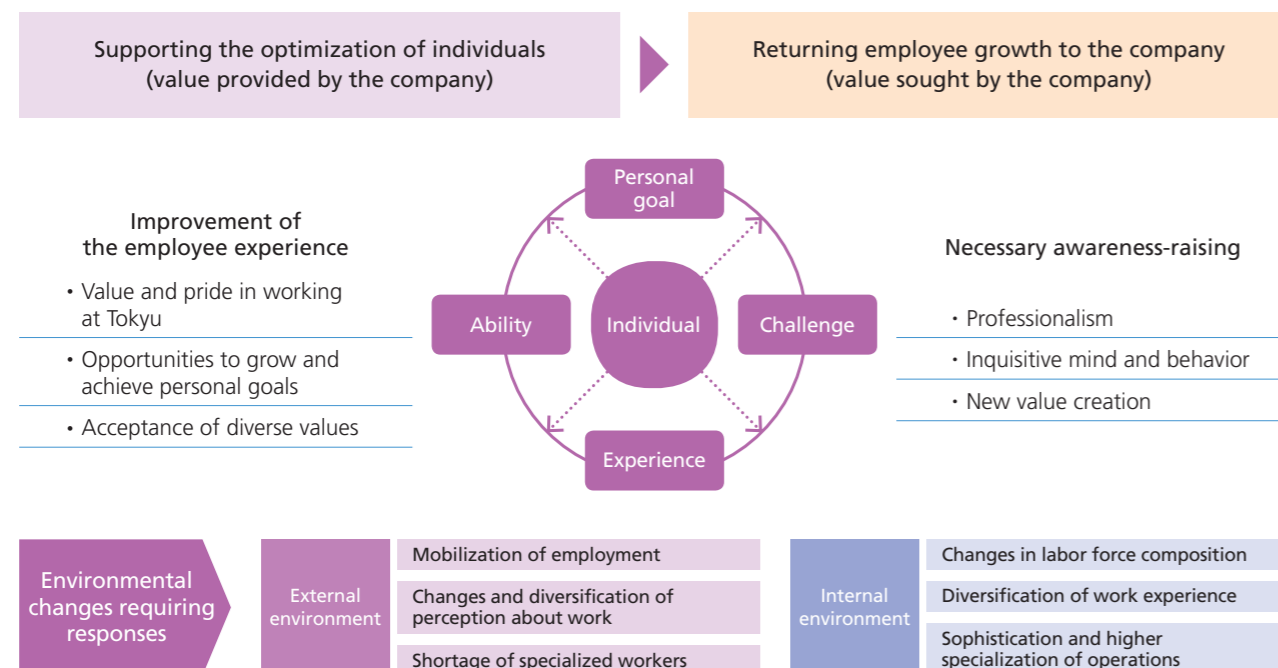
- Number of consolidated employees: **24,655**
 - Number of non-consolidated employees: **1,461**
 - Human resources with high retention rate
 - Average term of consecutive service: **15 years and 6 months**
 - Turnover rate: **1.8%*2**
 - Educated personnel
 - Management development training for **67 participants*1**
 - Self-directed career support training: **605*1**
 - Support for self-development (number of subsidized cases): **190 cases in total*1**
 - Professional human resources
 - Station attendants who are certified service care assistants: **99.2%** (Tokyu Railways work)
 - Licensed real estate agents: **559*2**
 - First-class architects: **226*3**
 - Pleasant work environment
 - Paid leave utilization rate: **84.3%**
 - Percentage of workers taking childcare leave **male: 80.0%, female: 100.0%**
- *1 Includes participants from some Group companies
 *2 Scope is the company and Tokyu Railways
 *3 Scope is the company, Tokyu Railways, and Tokyu Architects & Engineers

Concept of Human Resources Strategy

As the driving force behind our company's transformation, we will support our employees in maximizing their individuality. In order for all employees to feel value and pride in working for the company, and to have opportunities for growth and to lead a life that

is uniquely their own, we will implement initiatives to enhance the value of the employee experience, and promote a change in mindset that returns employee growth to the company.

▶ Increase in employee engagement

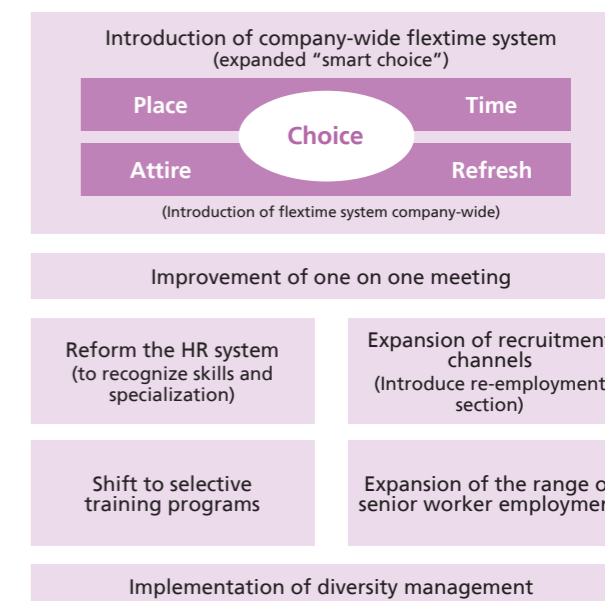


Initiatives to Maximize the Individuality of Employees

Throughout the year, we practice "Smart Choice," an initiative that encourages employees to choose a style that best suits their own duties and environment. The goal is to enable employees to proactively make choices based on the idea of exercising creativity and improving work efficiency without being bound by conventional work styles. In addition, along with the introduction of telecommuting and flextime, we have strengthened one-on-one meetings, which are one-on-one dialogues between supervisors and subordinates, in order to develop human resources throughout the company. The system is designed to eliminate career disconnection due to transfers and to provide continuous growth support from superiors for experiential learning in the workplace. We believe that this will be effective in terms of preventing the dilution of communication between supervisors and subordinates by encouraging flexible work styles. In addition, we have built a foundation that allows employees to use their time both inside and outside of work for their own career development, such as the in-house side job system, the newly established guidelines for jobs outside the company, and the shift to selective training that allows employees to learn what they want to learn.

In addition, we are working to become a company where every worker hopes to work for a long time by launching a re-employment section with the aim of creating an organization where people with diverse experiences can gather, and by expanding the scope of work for senior citizens.

▶ Examples of Our Main Initiatives



Employee Engagement

We believe that mutual understanding and mutual commitment with employees is even more necessary in order to achieve the development of "a City Adored by People around the World," which is part of our long-term management initiative. Based on this idea, in July 2019, we introduced an employee engagement survey as a mechanism for making work more rewarding for employees and improving their job satisfaction, evaluating the effectiveness of personnel measures using objective indicators. We believe that this is an important position to confirm whether the maximized abilities of individuals are being returned to the company as we work to realize the maximization of diverse individuals.

The results of the survey will not only be reflected in company-wide measures, but also set up a forum (1-on-1 meeting among managers) to discuss organizational management and work on improvements that match the characteristics of the organization. In order for the company to be able to respond to the growth of its employees with a sense of speed, we will immediately disseminate the results of the survey to managers and hold workshops on the analysis of the results to help create an environment where employees can more strongly demonstrate their abilities.

▶ Rating Results and Targets Based on the Survey



- ### People targeted in FY2020 survey
- Employees, excluding those on temporary loan (head office, non-clerical work)
 - Workers on loan full-time from another company
 - Contract employees, nonregular employees
- * Excluding temporary employees and agency staff

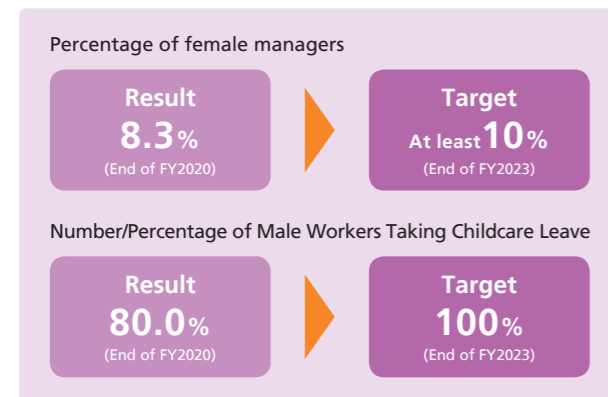
- ### Strengths and weaknesses identified in the survey
- | | |
|-------------------|---|
| Strengths | <ul style="list-style-type: none"> ● There is a sense that the company's business is making a positive contribution to the world ● There is a sense of unity where supervisors understand the situation of their subordinates, and where both successes and failures are shared |
| Weaknesses | <ul style="list-style-type: none"> ● There is a lack of cohesion and solidarity in the company as a whole ● Spaces and facilities for carrying out work in the workplace are inadequate |

Diversity Management

For a company to continue growing over the medium- to long-term, it must meet the needs of diverse customers while looking ahead to the future. Service providers must also have the same kind of “diversity and the organizational capacity to utilize it” (diversity management). Differences in gender, age, nationality, disability, sexual orientation, and values can be viewed as a person’s individuality, and respecting each other’s individuality, collaborating to enhance each other’s abilities and making it a strength of the organization will lead to sustainable growth for both individuals and the organization.

We formulated the Tokyu Corporation (Consolidated) Declaration of Diversity Management as a statement to all stakeholders. Based on this declaration, we have expanded smart choices and held management seminars, a mentoring program and a forum for female

▶ Numerical Targets Based on the Act on Promotion of Women’s Participation and Advancement in the Workplace



managers which also targeted our consolidated subsidiaries, with the progress being regularly reported to the Board of Directors and the Advisory Board on Human Resources Strategy for direction.

From FY2020, we have regularly published D Magazine (a media for receiving and disseminating diversity information for internal use) on the company intranet, with the aim of making diversity a little more fun and a half-step closer to home, in order to further raise awareness of diversity among all employees.

We are also building an environment where diverse personnel can play an active role, listing numerical targets for the ratio of female managers and the percentage of male workers taking childcare leave.*

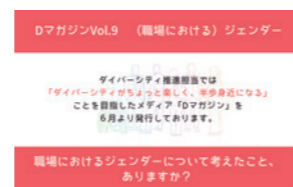
* Actual percentage of employees with a disability: 2.75% (as of June 2021, calculation of seven Tokyu Group companies)

▶ Tokyu Corporation (Consolidated) Declaration of Diversity Management

1. We will respect the individuality of all employees and promote their active involvement from perspectives of systems, culture, and mindset.
2. We will realize the creation of new value (innovation) to meet the expectations of various customers.
3. Positioning diversity as a management strategy, we will aim for sustained improvements of corporate value.



Speakers from companies that won the 2020 Women in Management Forum



D Magazine Vol.9 “Gender (in the Workplace)”

External Evaluation

NADE SHIKO 2021
Awarded the Nadeshiko Brand for 9th year in a row First in transportation industry to win Diversity Management Selection 100 Prime
 Tokyu Corporation has been awarded the Nadeshiko Brand (9 consecutive years achieved only by the company) for its outstanding efforts for the advancement of women in the workplace, as well as Diversity Management Selection 100 Prime (first in transportation industry) for its ongoing efforts to create corporate value through diversity management. We will continue to strive to create workplaces where women and other diverse personnel can be actively involved.

2021 健康経営銘柄
Recognized in Health & Productivity Stock Selection for 7th straight year
 Tokyu Corporation was selected as a leading company for the seventh consecutive year under Health & Productivity Stock Selection, a joint program between the Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange (TSE) which selects exceptional enterprises engaged in health and productivity management. We were one of only six companies nationwide to have been selected for a seventh straight year, and will continue to work on a variety of health promotion measures.

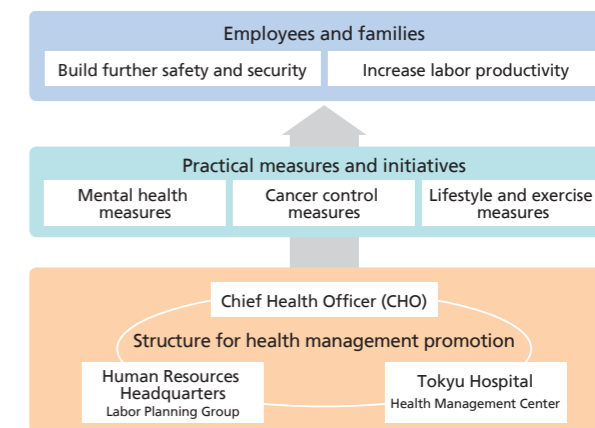
work with Pride
Winner of PRIDE Index “Gold” for 4th consecutive year
 Tokyu Corporation has received a “Gold” rating on the PRIDE Index following an assessment of its LGBT measures by work with Pride (wwP), a voluntary organization that supports the promotion and establishment of diversity management for LGBT and other sexual minorities. This is the fourth year in a row that we have received the “Gold” rating, and going forward, we plan to continue expanding the scope of our activities.

J-Win Diversity Award 2021
2021 J-Win Diversity Award, Basic Category, Basic Achievement Grand Prize
 J-Win, a non-profit organization, awarded us the “2021 J-Win Diversity Award, Basic Category, Basic Achievement Grand Prize” in recognition of our efforts to position and promote diversity management as a strategy to support “sustainable management.”

Promotion of Health Management

In February 2016, Tokyu Corporation established the position of Chief Health Officer (CHO) and issued the Health Declaration. Consistent with the declarations – namely, (1) the health of employees and their families, (2) promoting the health of residents who live along Tokyu’s railway lines, and (3) social contribution – we are actively engaged in the physical and mental health management of our employees, and in promoting the health of people who live along our railway lines.

Under the leadership of the CHO, health management promotion is structured around the Human Resources Headquarters, which plays a central role in promoting initiatives, collaborating with the Tokyu Hospital, which provides medical support. By implementing mental health measures, cancer control measures, and lifestyle and exercise measures for employees and their families, our aim is to maintain and improve their health, thereby building further safety and security and increasing labor productivity.



WEB Please see the following for details related to the Tokyu Corporation’s Health Declaration. (Japanese only)
<https://tokyu.disclosure.site/ja/152/>

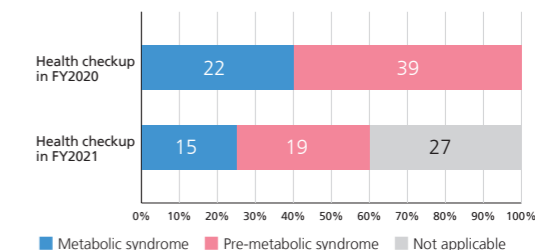
Numerical targets for health management and initiatives for improvement

With the enforcement of the revised Health Promotion Act in April 2020, we implemented a limited-time initiative in which the company subsidized the out-of-pocket costs of smoking cessation outpatient clinics for employees with smoking habits. 83% of the participants successfully quit smoking thanks to the continuous support of industrial physicians and public health nurses, support from the workplace and colleagues, and other involvement measures.

In addition, as a measure to combat obesity and lifestyle-related diseases targeting young people, we encouraged employees with a tendency toward metabolic syndrome as a result of medical checkups to participate in an improvement plan for the generation before the

specified health guidance, of which 61 employees participated in the plan. After about six months of support from nutritionists and public health nurses, focusing on diet and exercise, more than half of the 32 participants improved their metabolic syndrome categories.

▶ Status of Metabolic Syndrome Criteria



Development of Innovative Human Resources

Tokyu Corporation has a number of initiatives designed to reform the company into an innovative organization. The System for Fostering Entrepreneurial Employees (SK System) was founded in April 2015 to support and develop employees with the ambition and ability to create businesses, and to cultivate a challenge-friendly corporate

culture through the founding of new businesses. The system enables all employees, regardless of age, seniority, or department, to propose new businesses and be involved in bringing their ideas to fruition as project leaders. Since the system was launched, six projects have commercialized.

tsugi tsugi

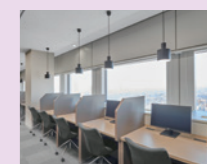
This is the sixth project of this system, a fixed-rate traveling residence change service. It is a service that enables people to live as if they were traveling, visiting places to say “I’m home” and feel at home. As a first step, Tokyu Hotels and Tokyu Sharing Corporation collaborated to provide an advance trial service at 39 facilities throughout Japan, with the aim of identifying needs and verifying actual usage.



tsugitsugi

NewWork

The first initiative under the SK System is a membership-based satellite shared office business for corporate clients. Commercialized in May 2016, the business aims to provide flexible work environments to suit the diversification of working styles and advances in the ICT environment. In February 2021, we are launching relax, a relaxing work lounge service for individual users.



NW NewWork

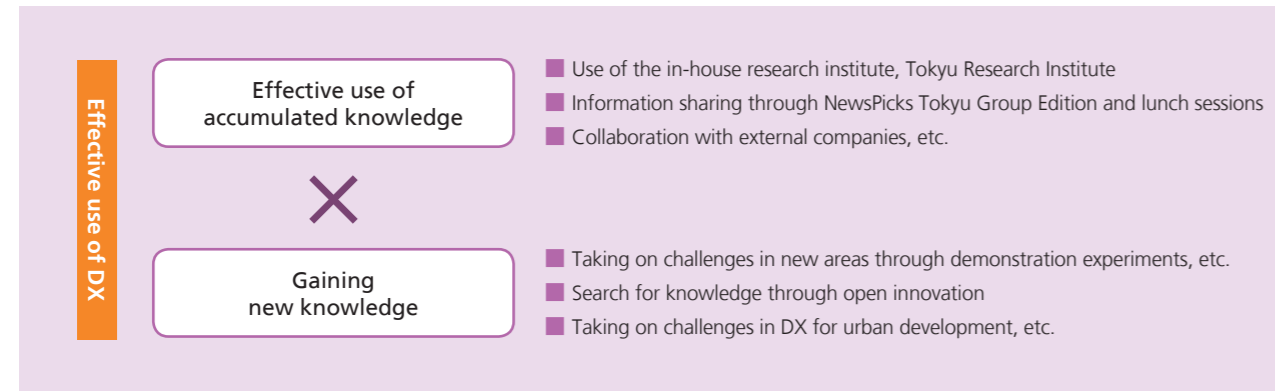
Intellectual Capital (Technical Expertise)

-Knowledge enhanced by accumulated experience and new challenges

Characteristics and Strengths of Intellectual Capital

We are constantly proposing quality of life from a new perspective by discovering and effectively utilizing the knowledge that exists in the Group across the four business fields, and by acquiring new knowl-

edge through various demonstration experiments and experimental service development.



Effective Use of Accumulated Knowledge

Use of the in-house research institute, Tokyu Research Institute

Established in 1986 as an in-house research institute to serve as a compass for the Group, Tokyu Research Institute has been analyzing management situations and accumulating various types of information for more than 30 years, and also serves as the secretariat for study sessions for Group management. Group companies are utilizing various data and knowledge from Shibuya, Tama Den-en-toshi, and other areas in their businesses.



Tokyu Group Morning Activity Seminar (held both online and offline)



Sharing research results on the intranet

Information sharing through NewsPicks Tokyu Group Edition and lunch sessions

These include lunch sessions, which allow employees to share knowledge and experience within the Group to develop business ideas, and the NewsPicks Tokyu Group Edition, a tool that aims to create new connections and businesses through the sharing, collection, and exchange of information and opinions among Group employees in order to promote the utilization of knowledge and the creation of a culture of innovation.



NewsPicks Tokyu Group Edition

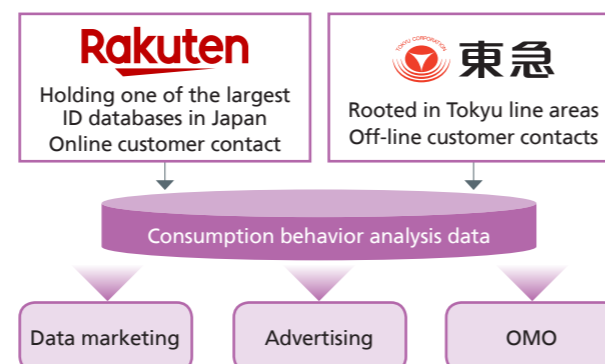


Lunch session

Collaboration with external companies

In September 2020, Rakuten Tokyu Planning was jointly established with Rakuten (currently Rakuten Group) and began operations. We will combine our offline management resources (retail, etc.) with Rakuten's online management resources (e-commerce, etc.) to create new purchasing behavior and experiences through OMO*. By doing so, we aim to improve the value of customers' lives by stocking products that meet the visualized needs of customers, providing product information through advertisements suitable for customers, and providing a highly convenient purchasing experience.

* OMO (Online Merges with Offline): A marketing measure to provide customers with a more efficient purchasing experience by eliminating the barriers between online and offline (physical stores).



Gaining New Knowledge

Taking on challenges in new areas through demonstration experiments, etc.

By conducting various demonstration experiments and test introductions, the Group is gaining new knowledge that will lead to commercialization.

Tokyu line's area MaaS "DENTO"

This is a verification experiment that aims to realize a free and affluent way of working along the Tokyu Line by allowing people to choose the most suitable means of transportation and place of work according to their TPO. We provided a service that made commuting and going out enjoyable, convenient, and affordable. Based on the results of this demonstration experiment, we will seamlessly connect "work," "live" and "play" in suburban areas, develop services including transportation, and deliver convenience and comfort to our customers, with the aim of realizing a Tokyu railway line that continues to be chosen even in a rapidly changing environment.



Subscription-based service "Tuy Tuy"

This is an environmentally friendly subscription-based service that aims to create new added value for commuter pass ownership. A demonstration experiment was conducted with a focus on sharing services for mobile batteries, umbrellas, etc., with the aim of realizing a recyclable and stress-free lifestyle.



Search for knowledge through open innovation

Up until now, the Tokyu Accelerate Program has led to the commercialization or full-scale introduction of 25 businesses, mainly start-ups, and seven business and capital alliances. Starting in FY 2021, we will further establish open innovation as the Tokyu Alliance Platform to promote further business co-creation.



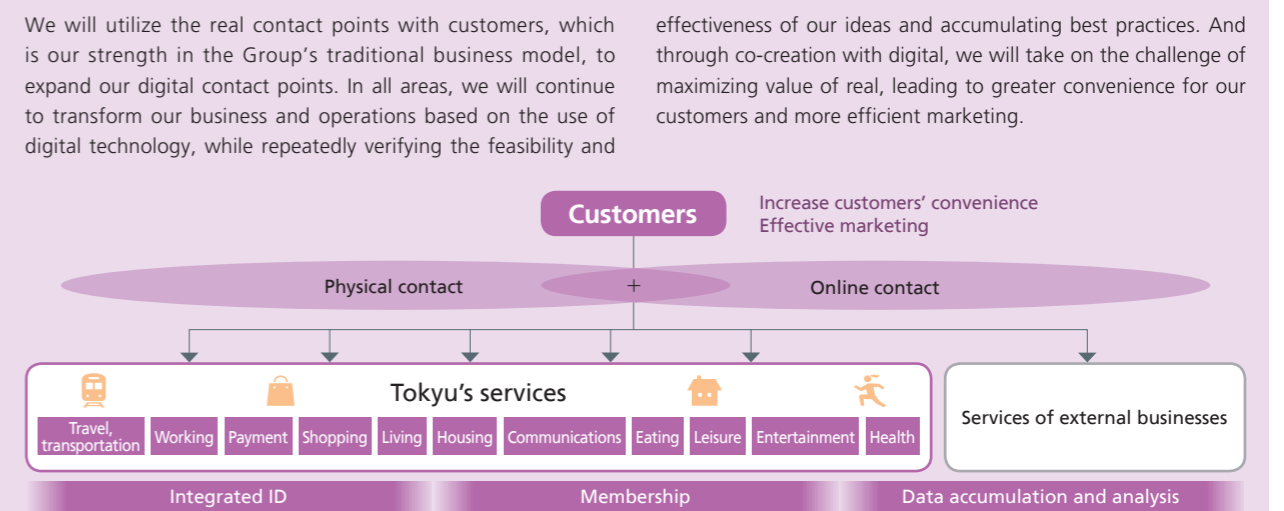
Tokyu Accelerate Program 2020 Demo Day

Taking on challenges in DX for urban development

In order to accelerate DX (digital transformation) in urban development, we have established a new organization, the Digital Platform Preparation Project (Urban Hacks). We will recruit a wide range of engineers, designers, and others to accelerate the promotion of urban development DX by developing services that make full use of both digital and the real to achieve continuous improvement in the value of the customer experience by making greater use than ever of the Group's wide range of real touch points.



Use of DX Conceptual diagram of medium to long term goal for customer contact



Social and Relationship Capital (Relationships with Stakeholders)

-Trusting relationships with partners through urban and community development

Characteristics and Strengths of Social and Relationship Capital

Since our founding, we have engaged in dialogue with our customers, employees, local communities, business partners, shareholders, and investors to build relationships of trust while promoting urban and community development. In addition, we promptly share opinions obtained through various means of communication with management in order to capture changes and apply them to management.

Urban and community development is a Long-term Recycling-based Business Model where the value created is reinvested to further increase value, and our growth (corporate value) is in tandem with the growth of the community (area value). In order to maintain a permanent cycle of improvement in both these areas, it is essential to have a relationship of trust with everyone involved, and our greatest strength is our strong relationship of trust with our partners in community-based urban development.



Dialogue with the Local Community and Customers

Urban and community development based on dialogue with the local community

We are working with local governments, shopping malls, local residents, and NPOs to solve problems and revitalize communities along Tokyu railway lines. Yokohama City and our company have signed a comprehensive agreement on next generation suburban development, and are working together with the public and private sectors on this project. This is a collaborative effort between industry, government, academia, and the private sector (local communities) to pursue urban and community development that will lead to the maintenance and development of suburban residential areas. We have carried out a variety of activities, such as finding human resources who will be responsible for urban and community development through a project called the Resident Emergence Project, and developing urban development centers such as WISE Living Lab and CO-NIWA Tama Plaza in an aim to create sustainable suburban residential areas by solving local social issues. In March 2019, Ota Ward and the company signed a Basic Agreement on the Promotion of Urban Development through Public-Private Partnerships Utilizing Regional Strength, aiming for the sustainable development of the area centered on the station. Initiatives based on this agreement include

the discovery and promotion of local resources and regional revitalization through renovation of vacant houses, stores and other idle assets, as well as citizen workshops for park renovation and maintenance and business succession support for local store owners.

In addition, in August 2020, we will conclude a Comprehensive Collaboration Agreement on the Formation of a Global Hub City with Shibuya Ward to promote industrial and human resource development through public-private partnerships, with the aim of becoming an internationally competitive city.



Number of urban and community development agreements with government
8
(as of March 31, 2021)

"SANDO BY WEMON PROJECTS," an urban and community development hub cafe based on an agreement with Ota Ward

Building relationships with local residents

Common, a community mutual aid platform service app
By establishing a local digital community infrastructure centered around stations, we aim to enhance local communication and foster autonomous local economies and communities.

Community communication activities of Tokyu Associations
Tokyu Associations are located in 23 areas in Japan and four areas overseas, and Tokyu Group companies collaborate to carry out community-based social contribution activities through cleanup activities and cultural and sports events through these associations.

Supporting the growth of children who will lead the next generation

We support the healthy growth of children through the Tokyu Kids Program, which provides parents and children with work experience, and the Tokyu Children's Support Program, which supports the activities of community-based NPOs and other organizations.

Tokyu Train Monitor, aiming to improve the Tokyu Line

This is a monitoring system for receiving honest opinions from customers who use the Tokyu Line. We will listen to what you feel and notice on a daily basis and reflect it in business activities.

Dialogue with Shareholders and Investors

Improving corporate value through dialogue with shareholders and investors

In addition to the General Meeting of Shareholders, we actively provide information on our business and strategies to our shareholders and investors through investor meetings and dialogues with institutional investors in Japan and overseas. We also share the opinions we receive with the Board of Directors and the Management Meeting on a regular basis, as well as at meetings where the heads of related departments and divisions gather.

Dialogue with institutional investors (including ESG dialogue)
241 times
(13 times) (FY2020)



Investor briefings

Dialogue with Universities and Educational Research Institutions

Intellectual collaboration to solve social issues

We are also actively involved in industry-academia collaboration that combines the accumulated knowledge of universities with the know-how of private companies. From January to March 2019, the first suburban MaaS* demonstration experiment in Japan combining various mobility services was conducted with the cooperation of Tokyo City University and Mirai Share Co., Ltd. with the aim of forming a new community by ensuring the convenience and comfort of transportation in suburban residential areas. We have also conducted joint research with the University of Tokyo from April 2020 on indicators to evaluate the sustainability of cities in suburban areas, where issues such as uneven age and demographics of residents, increasing number of vacant houses, and aging urban infrastructure are becoming apparent. We will continue to aim for the fusion of knowledge with new ideas, the creation of new business models, and the resolution of social issues through interactive exchanges with society.

* MaaS (mobility as a service): A service that presents the most suitable means of transportation according to the user's objectives and preferences.

Number of industry-academia collaboration agreements concluded
9
(As of March 31, 2021)



A group interview with monitors conducted in collaboration with Tokyo City University



Panel discussion "Sustainable city planning from the perspective of urban diversity"

Creating More Social Value

Social contribution activities inseparable from business activities

For areas that cannot be covered by our business activities, we are continuing efforts as social contribution activities for the realization of a sustainable local society. By taking on the challenge of solving social issues through a combination of our businesses activities and social contribution activities, we will realize the Group Mission Statement of "striving to create beautiful living environments, in which each person can pursue individual happiness in a harmonious society."



Social contribution activities through school corporations and foundations

The Tokyu Group includes school corporations such as Goto Ikuikai (which owns Tokyo City University Group), and Asia Gakuen (which owns Asia University), as well as public interest foundations such as the Tokyu Foundation and the Gotoh Museum, and is committed to social activities in a variety of fields, including contributing to local

communities, education, the environment, international exchange, and culture. We continue to provide support to these corporations, working to solve social issues and create value in order to create beautiful living environments.

Sustainability Management

Concept of Sustainability Management

From a long-term perspective, the Group believes that it is important to accurately gain an understanding on the changing needs of customers in each era, provide new businesses and services, and resolve social issues. Each and every one of our employees shares this mission, and by creating new value, we hope to achieve sustainable growth together with society.

Under the Group slogan of "Toward a Beautiful Age," we are

committed to creating a beautiful living environment for our future and continuous solution of social issues through business by addressing the 17 goals and 169 targets of the SDGs and material sustainability themes (materiality) related to sustainability identified based on issues specific to each area and industry, with sustainable management as our basic management stance.

Sustainable Management Policy

creating a beautiful living environment for our future

continuous solution of social issues through business

Material Sustainability Themes (Materiality)

- Safety & Security
- Urban and Community Development
- Quality of Living Environment
- HR Development
- Decarbonation, recycling-based Society
- Corporate Governance & Compliance

Visions for 2030

- Realization of public transportation services that are the safest in Japan and easy to use
- Provision of living environments where people can feel safe
- Realization of management of cities that is unique and attractive in terms of all of "live," "play," and "work"
- Extended application of expertise for the development of urban and community areas served by Tokyu's railway lines to locations in Japan and overseas
- Realization of life in which each person can maintain his/her good health and pursue individual happiness
- Realization of "a company where every worker hopes to work for a long time"
- Promotion of human resources development by contributing to society through education, culture, and environmental preservation activities
- Contribution to the creation of a carbon-free society through energy saving and the optimized use of renewable energies
- Contribution to creating a recycling-based society by promoting the effective use of resources and consideration for the ecosystem
- Realization of the ideal corporate governance directly linked with society and the global management environment
- Practicing compliance for achieving a harmonious society

Address important themes in sustainability and aim for Long-term Recycling-based Business Model under the Tokyu Group slogan, "Toward a Beautiful Age."

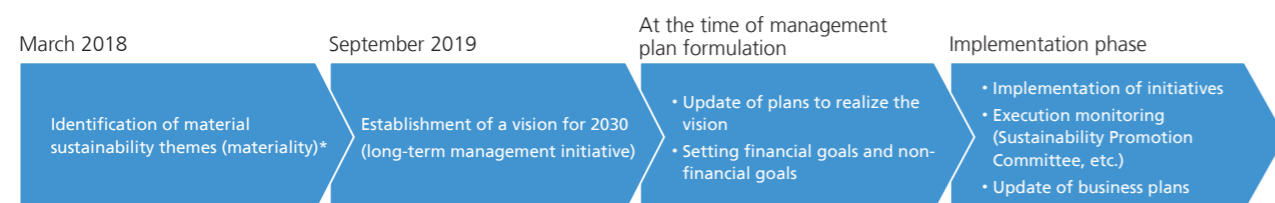
Integrating material sustainability themes into management plans / initiatives and monitoring implementation

In March 2018, the Group identified material sustainability themes, and in conjunction with the formulation of its long-term management initiative, set out cross-business social issues to be addressed and a vision for 2030, positioning them as the basic concept of the long-term management initiative.

In addition, when formulating medium-term management plans

and single-year business plans, non-financial targets are set to monitor the performance of each measure along with financial targets, and resolutions are made at target-setting meetings and Group management meetings.

The progress of the initiatives is confirmed by each responsible department and the Sustainability Promotion Committee.

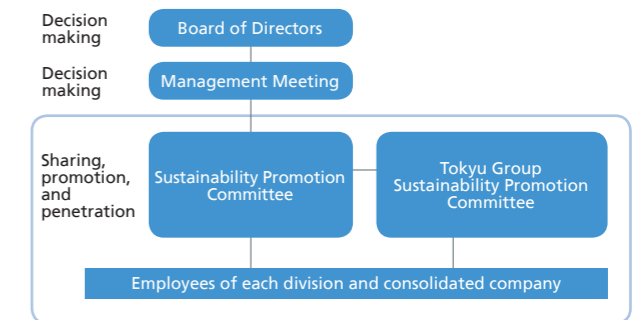


* Please see page 28 to 29 for Process for Identifying Material Sustainability Themes, the vision for 2030, and the approach to setting indicators.

Sustainability Promotion System and Initiatives

As corporate citizens, Tokyu Corporation and consolidated subsidiaries recognize the importance of its social responsibilities. In addition to putting effort into compliance across the Group, we are actively promoting sustainability initiatives, including the resolution of social issues through our business operations and the continuation of social contribution activities.

In addition to the Sustainability Promotion Committee, chaired by the President, and a system for promoting sustainability at all consolidated companies, we are implementing a variety of educational activities, as well as an award system for the entire Tokyu Group.



Meeting committee structure, training, system		Frequency and outline	Themes handled
Meeting committee structure*	Sustainability Promotion Committee	2 times a year. For the purpose of promoting sustainable management, the President chairs the meeting, and information is shared and instructions are given by the Executive Officers, full-time Audit & Supervisory Board Members, and division heads, etc.	ESG promotion, environmental issues, TCFD initiatives, safety, compliance, etc.
	Tokyu Group Sustainability Promotion Committee	2 times a year. Communicate and share information with the Sustainability Promotion Managers of the Group, with the aim of strengthening the consolidated sustainability promotion system.	Same as above
Training and seminars	Sustainability seminars for Tokyu Group managers	2 times a year (once for environmental themes and once for each of the individual themes) to raise awareness of the Group's management to take the initiative in promoting sustainable management.	Global social issues, human rights, environmental issues, etc.
	Various educational seminars, e-learning training, rank-based training	Held as needed	Environment issues, material sustainability themes, SDGs education, etc.
Awards program	Tokyu Group Environmental and Social Contribution Award System	Once a year. Awards are presented after a screening committee submits applications for initiatives that make outstanding environmental and social contributions in the Tokyu Group's business activities during the year.	Overall environmental and social contributions

* Please see page 64 for Key deliberations by the Board of Directors.

A system to promote the creation of social value: The Tokyu Group Environmental and Social Contribution Award System

In order to promote environmental and social contribution activities across the entire Tokyu Group and beyond, we continue to operate an awards program called the Tokyu Group Environmental and Social Contribution Awards. Through this program, in addition to raising awareness for solutions to environmental and social issues and enthusiasm for activities among each and every Group employee, we disseminate information about excellent ini-

tiatives within Tokyu Group. In FY2021, 77 applications (increase of 15 from the previous year) from 35 companies were received for a wide range of initiatives.

Please see the following for details of the award-winning initiatives. (Japanese only)
<https://tokyu.disclosure.site/ja/158/>

Awarded initiatives in FY2021

- Environmental and Social Contribution Award (Grand Prix) (1)
 - Acceptance of overnight treatment for asymptomatic and mildly ill people with COVID-19, a team effort with a sense of mission (Tokyu Hotels)
- Environmental Award (2)
 - Tokyo Port City Takeshiba, an international business hub: Building a green network (Tokyu Land Corporation)
 - Growing lettuce with hydrogen energy! Japan's first hotel with a CO₂-free electricity recycling system (Tokyu Hotels)
- Social Contribution Award (2)
 - Tokyu Line Platform Screen Door Installation Project - Peace of mind at every station (Tokyu Railways)
 - Strengthening the area around Shibuya Station as a disaster prevention base by developing rainwater harvesting facilities (Tokyu Corporation)
- Special Award (2)
 - Sharing of surplus equipment and revolution in waste utilization (Tokyu Railways)
 - Cooperation in cleaning instruction and vocational training for schools for the disabled (Izuky Housing)

Decarbonation, Recycling-based Society

Having listed realization of decarbonation and a recycling-based society as one of its material sustainability themes, the Group promotes environmental management. These days, in our business, which supports the infrastructure of society, consideration for the environment in urban development from a long-term viewpoint is an important element against climate change caused by global warming.

In addition, as a transportation infrastructure business that requires a lot of energy, we experienced power shortages after the Great East Japan Earthquake in March 2011, which made us even more conscious of energy management from the perspective of business continuity and the finite nature of resources, and we are continuously working on environmental issues.

Vision for a Decarbonized Society

Because electric power is the primary energy source for the Group*¹, we have set the goal of RE100, which is to procure 100% renewable energy by 2050, in our long-term management initiative announced in September 2019.

In formulating the three-year medium-term management plan (FY2021-FY2023) announced in May 2021, we set the goal of realizing a decarbonized society that includes not only electricity but also other forms of energy, and changed our material sustainability theme (materiality) from a low-carbon and recycling-based society to a decarbonation and recycling-based society.

The figure below*² shows how our two stages of environmental goals for 2030 and 2050 will be achieved. In addition to shifting electricity to renewable energy sources, we are actively promoting energy savings. We are also committed to business operations in which enhancing environmental value is an integral part of our business activities. For instance, in the railway business, we are replacing carriages with new energy-efficient models, and in the urban development business, we are introducing environmental certification programs and set environmental investment standards. In an effort to reduce overall CO₂ emissions, we will also look at energy uses besides electricity, keeping an accurate handle on technological trends as we actively review conversion to electric power and the introduction of alternative energies such as biofuel, hydrogen fuel, and fuel cells.

Long-term Environmental Goal (CO₂ Emissions*)

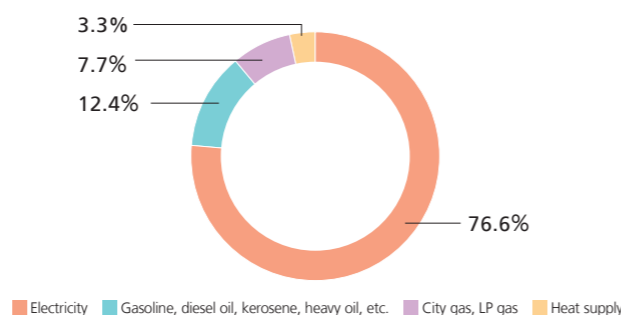
* The subjects are Scopes 1 and 2

- Total CO₂ emissions
2050: Effectively zero
- Total emissions from electricity use
2030: 30% reduction
2050: Zero (100% renewable energy)

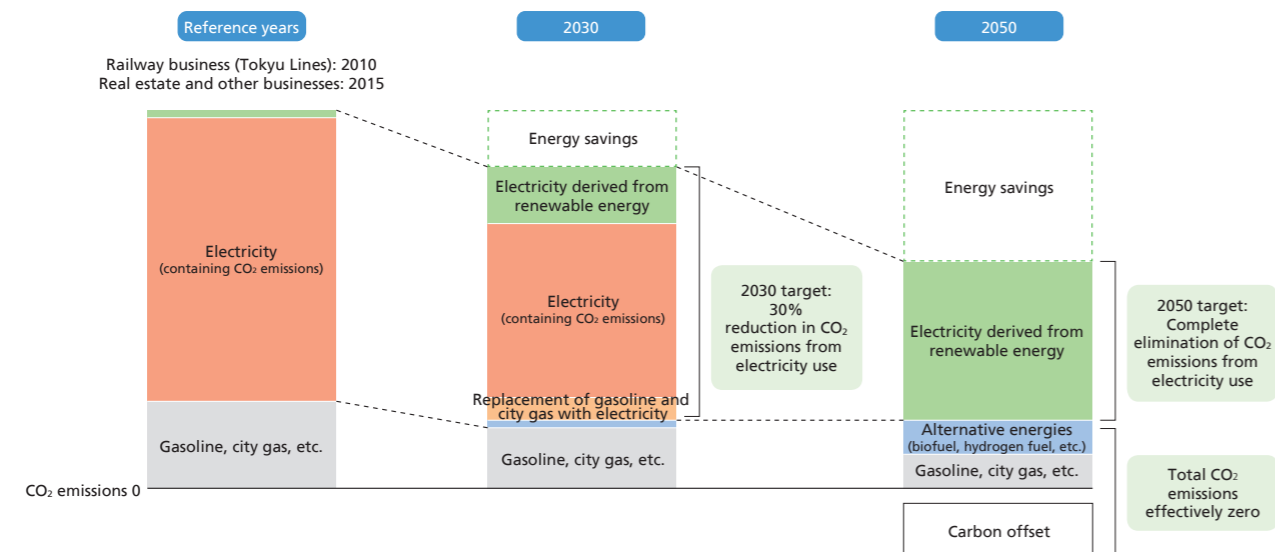
(Reference years: 2010 for the railway business (Tokyu Lines); 2015 for the real estate and other businesses)



CO₂ Emissions on a Basis of Energy Sources (FY2020)*¹



Energy Composition (CO₂ Equivalent) for Realizing the Long-term Environmental Goals*²



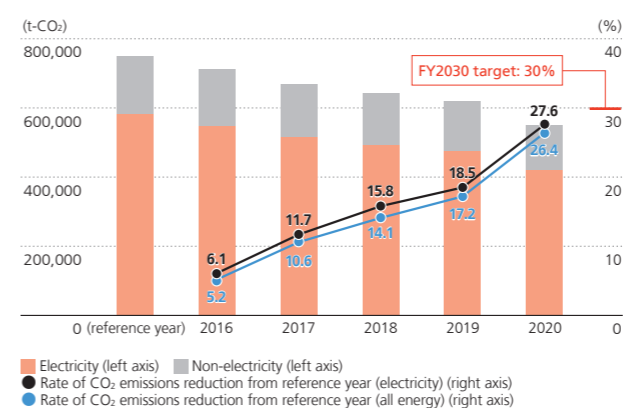
Progress Toward CO₂ Reduction Targets

The Group's consolidated CO₂ emissions in FY2020 were 551,059t-CO₂, a 26.4% reduction from the base year, and a 27.6% reduction in emissions from electricity use*³. This is due in part to a decline in energy use in business activities, including the refraining from operating commercial facilities due to the COVID-19 pandemic, so we will continue our energy management efforts with an eye to the new normal.

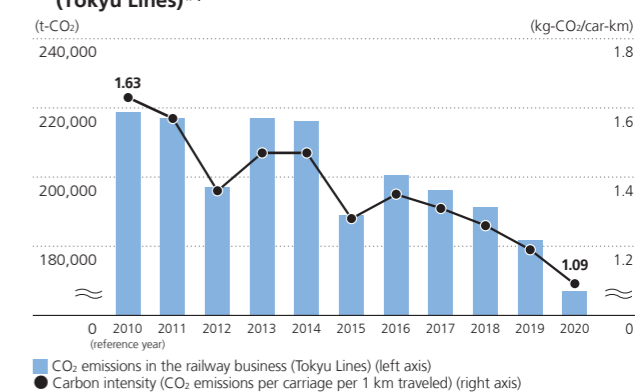
In addition, in our railway business (Tokyu Lines)*⁴, which ac-

counts for approximately 30% of the Group's CO₂ emissions, we have been working hard for energy savings while promoting the adoption of technology, such as the installation of platform screen doors and security cameras (introduction of energy-saving vehicles, LED station lighting, facility improvements with ZEB in mind, etc.). Carbon intensity (CO₂ emissions per vehicle per kilometer traveled), including ancillary facilities, has been reduced by 33.1% compared to the base year.

Progress in Reducing CO₂ Emissions*³



CO₂ Emissions and Carbon Intensity of the Railway Business (Tokyu Lines)*⁴



Systems for Achieving Environmental Targets

In July 1998, Tokyu Corporation established dedicated environmental organizations within the company to work on reducing environmental burden in the administrative departments of each business division and in the general administration divisions by means of our own environmental management system. We have established a PDCA cycle designed to achieve our environmental goals, and we are promoting achievement of these goals through a variety of mechanisms for reducing CO₂ emissions, such as preferential standards for environmental investment which take account of internal carbon pricing, renewable energy procurement plan, and an awards program. In addition, based on the analysis of the TCFD, we are creating a new system to be used for goal setting.

CO₂ reductions will be monitored by the Sustainability Promotion Committee (page 49), based on which, targets are set for the next fiscal year and mechanisms are reviewed for the future.



Use and Spread of Renewable Energies

Since March 25, 2019, the Setagaya Line has been operating solely on power generated by hydropower and geothermal power plants owned by the Tohoku Electric Power Group (CO₂ emissions reduction effect = 1,263t/year). Furthermore, since September 8, 2020, one SDGs train each on the Toyoko, Den-en-toshi, and Setagaya lines have run on electricity derived from renewable energy sources to promote the Group's use of renewable energy. Through such initiatives, in addition to promoting the use of renewable energy in the Group, we are promoting understanding and disseminating information about renewable energy via the familiar infrastructure of trains.

Our consolidated subsidiary, Tokyu Power Supply, has been promoting the procurement of electricity from renewable energy sources (non-fossil fuel energy certificates, purchase of excess electricity generated from solar PV, etc.). In addition to such initiatives aimed

at achieving RE100 on a consolidated basis, we are also developing business to promote decarbonization and energy creation in households along our railway lines, including the launch of a zero-yen installation service for solar panels and storage batteries.



Addressing Climate Change/TCFD Recommendations

In anticipation of the impact of climate change on its business, the Group has strengthened its risk management, and has begun to integrate measures into its business strategies in response to risks and opportunities. In addition, we announced our endorsement of the TCFD in September 2020, and will proceed to disclose information based on the TCFD recommendations.



* Task Force on Climate-related Financial Disclosures (TCFD)
A task force established by the Financial Stability Board (FSB) in 2015 to identify and disclose the financial implications of the risks and opportunities posed by climate change with a view to global economic stability.

TCFD Disclosure Recommendations

Governance	Description of the organization's governance of climate-related risks and opportunities	Risk Management	How the organization identifies, assesses, and manages climate-related risks
Strategy	Actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	Metrics and Targets	Metrics and targets used to assess and manage relevant climate-related risks and opportunities

Governance

We consider climate change to be an important issue, and have established a system in which climate change is discussed and decided by the Management Meeting, the decision-making body for management, and reported annually to the Board of Directors for appropriate supervision. Analysis of climate-related risks and opportunities in each business is conducted under the supervision of the Executive Officer responsible for the Corporate Affairs Headquarters, with the Sustainability Promotion Group of the Corporate Affairs Headquarters as the project leader, and in collaboration with each business unit, while receiving advice from outside experts. The Company will share, promote and disseminate the content of proposals made to the Board of Directors at the Sustainability Promotion Committee and the Tokyu Group Sustainability Promotion Committee.

Strategy

[Setting the general framework (worldview) for scenario analysis]

Scenario analysis was conducted using the following scope, scenarios, and procedures. In the less than 2°C scenario, in which global

warming is limited to less than 2°C at the end of the 21st century compared to the pre-industrial period (1760s to 1830s), the transition risk is assumed to increase, resulting from increased costs for electricity and energy-saving technologies, as well as from tighter policies and regulations aimed at curbing global warming, such as carbon taxes. In addition, as important opportunities, we assumed that costs will decrease due to the development of energy-saving technologies, and that the number of people using public transportation will increase due to heightened environmental awareness, and that people will be more inclined to move into environmentally-friendly properties.

In the 4°C scenario, we assume a world where physical risk increases and increased renovation costs caused by flooding of facilities due to severe disasters, outflow of customers, and a decline in the number of users due to new diseases.

In the subsequent review, identification, and materiality assessment of risks and opportunities, we divided them into transition risks, physical risks, and opportunities. We have been implementing measures to deal with physical risks to a considerable extent, and please refer to "Measures in Business (P.54)" together with the approach of our future efforts including the results of this analysis.

[Analysis of important risks]

The importance of risks was evaluated based on the impact on each business and the degree of occurrence of the event. The impact on each business is analyzed based on the scale of the impact of the project that is expected to be affected by the climate-related event, and the incidence is evaluated based on the Fifth Assessment Report (AR5) of the IPCC* for physical risks such as natural disasters. The transition risks are estimated and analyzed based on trends in future policy goals and plans, such as the introduction of environmental laws and regulations and carbon taxes, as well as the introduction of current policies.

The financial impact is estimated for the railway business and urban development business. The transition risk in the less than 2°C scenario was calculated mainly based on electricity consumption and plans for partial introduction of solar power generation, while the physical risk in the 4°C scenario was estimated mainly based on the maximum inundation depth of river floods and the impact of COVID-19. As for the degree of impact on consolidation, we assume a wide range of impact from physical risks in the railway business and urban development business, which have many assets. For the retail business and hospitality business, we will estimate the financial impact and conduct further evaluation and analysis going forward.

[Analysis of key opportunities]

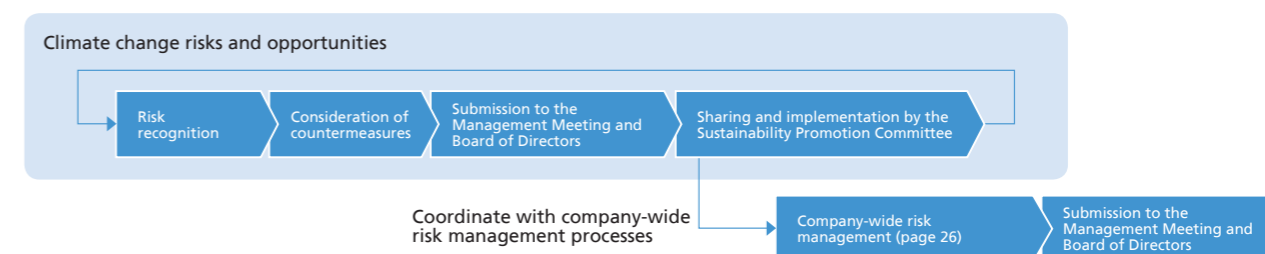
The key opportunities are examined mainly in the less than 2°C scenario, and are expected to include: a decrease in costs due to the development of energy-saving technologies; an increase in the number of people using public transportation due to increased environmental awareness; and an increase in the desire to move into environmentally friendly properties, etc. The financial impact was estimated to be the replacement of new rolling stock, the effect of reduced electricity costs from solar power generation, the shift to rail use, and higher rents on environmentally friendly properties.

We will continue to evaluate opportunities in our retail and hospitality businesses, and continue to examine ways to create and capture additional opportunities in each of our businesses to adapt to climate change and reflect this in our strategy.

Risk management

The Sustainability Promotion Group of the Corporate Affairs Headquarters serves as the project leader for climate-related risks and opportunities, collaborating with each business unit to analyze risks and consider countermeasures, and submitting the results to the Management Meeting and the Board of Directors every year. The results

Risk Management Process



Significant Transition and Physical Risks and Impacts

Classification	Description of important risks	Applicable period			Business category				Impact (as of 2030)
		Short term	Medium term	Long term	Railway	Urban development	Retail	Hospitality	
Transition risk	• Increase in electricity costs and carbon tax				●	—	—	—	Medium
	• Double investment due to development of energy-saving				●	—	—	—	Low
	• Increased costs due to shift to ZEB				—	●	—	—	*1
Physical risk	• Outflow of customers from flood-prone areas, a decline in ownership opportunities				—	●	—	—	Low
	• Service interruptions due to damage to facilities caused by severe disasters, increased renovation costs, customer outflow and loss				●	●	—	—	Low to high
	• Increase in air conditioning costs due to rising temperatures				●	●	—	—	Low
Physical risk	• Decrease in the number of people transported and passengers due to the outbreak of new infectious diseases				●	—	●	●	Low to high

*1. Not yet calculated *2. Impact to be analyzed and reviewed in the future

* IPCC (Intergovernmental Panel on Climate Change)

Key Opportunities and Impact

Category	Contents of key opportunities	Applicable period			Business category		Impact (as of 2030)
		Short term	Medium term	Long term	Railway	Urban development	
Opportunities	• Cost reduction through self-generation and development of energy-saving technologies (increase in storage batteries, use of fuel cells)				●	—	Low
	• Increase in the number of users due to transportation efficiency advantages and inflow of customers to areas with low risk of disaster				●	—	Low
	• Diversification of the fare system to promote remote work				—	●	*2
Opportunities	• Improve business profitability and property value by introducing a system for trading CO ₂ emission credits, etc.				—	●	*2
	• Improvement of tenant orientation toward environmentally friendly properties with ZEB				—	●	Low

*1. Retail and hospitality businesses are under consideration
*2. Not yet calculated

Scope and Method of Conducting Scenario Analysis

Businesses subject to analysis (conducted for each business)

Railway business, urban development business, retail business, hospitality business

Selected scenarios: range of temperature increase at the end of the century

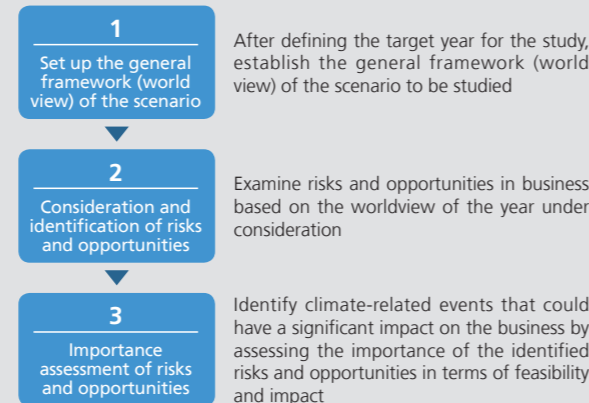
Less than 2°C scenario (scenario of tighter regulations and measures)

- Introduce policies and strengthen regulations to mitigate climate change
- Greenhouse gas emissions will decrease, and real emissions will be zero by 2050
- Although rising temperatures will cause sea level rise and changes in climate patterns, changes will be more contained than in other scenarios

4°C scenario (current scenario)

- No policies will be introduced or regulations strengthened other than those currently envisioned
- In some parts of the world, economic growth has led to increased greenhouse gas emissions
- As temperatures rise, natural disasters such as extremely hot days and heavy rainfall become more severe

Method of conducting scenario analysis



Metrics and targets

In order to mitigate climate change and prepare for transition risks, we are studying and promoting the decarbonization of our business activities. Target setting and progress on decarbonization are described in Decarbonation, Recycling-based Society on page 50. The goal is to achieve a decarbonized society by 2050, including not only electricity but also other forms of energy, and we will continue to review and discuss the results of the scenario analysis. In addition, with regard to addressing physical risks, we have established investment priorities in the context of overall safety management, which includes not only climate change risks but also seismic disasters and anti-terrorism measures. As a company that is responsible for urban infrastructure, we have established safety indicators (see page 56), and through our day-to-day operations, we are working to ensure safe railway operations and create disaster-resistant communities.

		Railway business	Urban development business
Response to transition risk		<ul style="list-style-type: none"> Promote studies for the introduction of self-generation (solar power and storage batteries) Promote consideration of procurement and purchase of renewable energy 	
Response to physical risks	Existing tangible measures	<ul style="list-style-type: none"> Measures to prevent flooding at each facility Measures against slope collapse 	<ul style="list-style-type: none"> Measures to prevent flooding of facilities Placement of power supply equipment on upper floors
	Existing intangible measures	<ul style="list-style-type: none"> Implementation of vehicle evacuation drills 	<ul style="list-style-type: none"> Conducting drills for information communication and evacuation guidance
	Future initiatives	<ul style="list-style-type: none"> Improvement of flood prevention measures Continued promotion of measures to prevent slope collapse Promote measures to avoid and mitigate flooding through cooperation among businesses Conducting drills and cooperation with the Crisis Management Headquarters in the event of a disaster 	<ul style="list-style-type: none"> Review use and ownership of high-risk properties

Measures in business

In response to the transition risk, we will promote initiatives to introduce self-generation, energy conservation, and procurement of renewable energy. As for physical risks, we have already taken various measures to deal with such risks in our railway and urban development businesses, as described below. Furthermore, in response to the recent intensification of disasters, we will promote risk avoidance and mitigation measures by upgrading our disaster countermeasures through collaboration among our businesses and operations in order to enhance our resilience to climate change, and we will also continue to conduct regular crisis management response training.

Steady implementation of climate change adaptation (tangible measures)

Construction of a rainwater harvesting facility at the east exit of Shibuya Station

The topography around Shibuya is a mortar-shaped area, so it is prone to accumulating water during rainfall. In preparation for the increasing number of torrential rains in recent years, the company and the Urban Renaissance Agency, as co-builders of the Shibuya Station Area Land Readjustment Project, have been working on the construction of a rainwater harvesting facility at the east exit of Shibuya Station, with the aim of creating a safe and secure community that is resistant to flooding. Construction began in February 2011, and the facility was completed and put into service on August 31, 2020 (managed by the Tokyo Metropolitan Government Bureau of Sewerage). The facility is a large-scale structure measuring approximately 45m north to south and 22m east to west, located approximately 25m below the East Exit Plaza of Shibuya Station, and is capable of temporarily storing approximately 4,000m³ of rainwater. When it rains more than 50mm per hour, the water is taken out, and after the weather recovers, it is pumped out to the existing sewerage trunk line to prevent flooding damage.



Rainwater harvesting facility at the east exit of Shibuya Station

Measures against flood damage in the railway business

In the railway business, we are systematically implementing various measures to prevent the impact on train operations in the event of flooding damage caused by torrential rains or the collapse of slopes on railway property.

Countermeasures against flooding damage include raising the ventilation openings in the underground section to prevent water from flowing into them, installing watertight panels to prevent water from entering the station entrances, and installing waterproof doors in each equipment room.

As a countermeasure against slope collapse in the railway site, we are reinforcing slopes to prevent earth and sand from flowing into railway tracks and making it impossible to operate.

We are also preparing a manual for dealing with flooding and conducting evacuation drills for vehicles parked in garages.



Slope after countermeasures (Senzokuike Station to Ishikawadai Station on the Ikegami Line)



Raising of ventilation openings (Between Sangen-jaya Station and Sakurashinmachi Station on the Den-en-toshi Line)

Realization of a Recycling-based Society

Toward the realization of a recycling-based society that is in harmony with nature, we are working to reduce the amount of resources used and waste, and to make effective use of resources, while taking advantage of the characteristics of each of our businesses. In addition, in order to promote the reduction of waste and water consumption, which are social issues, we have set con-

solidated reduction targets per unit of output and are working to reduce the environmental impact of our business by implementing the PDCA cycle. Together with each business and their respective supply chains, we will actively contribute to the building of a sustainable society and local infrastructure.

Reuse

Reducing CO₂ emissions through the use of wood

The Kininaru Renewal project involves the renovation of the roof of the platform at Togoshiginza Station on the Ikegami Line using lumber grown and produced in the Tama region, and is contributing to the reduction of CO₂ emissions by fixing the CO₂ absorbed by trees and contributing to the sustainable development of forests and the promotion of forestry in Tokyo.

The Minna no Ekimoku Project is an effort to reuse station wood (old wood from old station buildings) generated during construction in order to reduce CO₂ emissions during the disposal of waste materials. At Ikegami Station on the Ikegami Line, station wood was partially used for the new station building, and several events using station wood were held, contributing to the connection with the local community.



Togoshiginza Station after renovation

Reduce

Reducing food losses through demand prediction ordering system

Tokyu Store has been working to reduce food loss by gradually introducing a demand forecasting and ordering system to its chilled departments since April 2018. In addition, since January 2021, we have been participating in the Tokyo Metropolitan Government's New Pioneering Business Model for the Advanced Food Waste Reduction Using ICT Project. The demand forecasting and ordering system of sinops Inc. has been introduced to the delicatessen department to improve ordering accuracy through AI, and to reduce food loss by issuing alerts for discounting and additional production at the optimal timing for each single item.



Utilization of AI to determine discounts on side dishes

Reuse - Reduce - Recycle

Urban and community development in harmony with the environment

In June 2020, Minami-Machida Grandberry Park received Gold certification for the station building under LEED for New Construction (LEED NC), an international environmental certification system, and in July 2020, Gold certification for the 15-hectare area within the facility under Neighborhood Development (LEED ND). LEED NC was evaluated for its efficient rainwater reuse and energy efficient lighting plan, while creating an open station building that gives a sense of uplifting the city. In the LEED ND category, the seamless structure of the city and the landscape design that takes advantage of the green infrastructure of the area were evaluated.



Green infrastructure that utilizes the functions of the natural environment

Recycle

Conversion of used plastics to hydrogen energy

The Kawasaki King Skyfront Tokyu REI Hotel is the "world's first hydrogen hotel," utilizing hydrogen made from used plastic to generate electricity and heat water for the hotel. In collaboration with the government and other companies, low-carbon hydrogen produced during the recycling process is supplied through a pipeline to fuel cells in the hotel and converted into electric power for the hotel. Furthermore, we are continuing a demonstration experiment in which waste heat generated during the conversion process is used in supplying some of the hot water to the hotel. It provides about one-third of the electricity used at the hotel and reduces CO₂ emissions by about 200 tons per year.

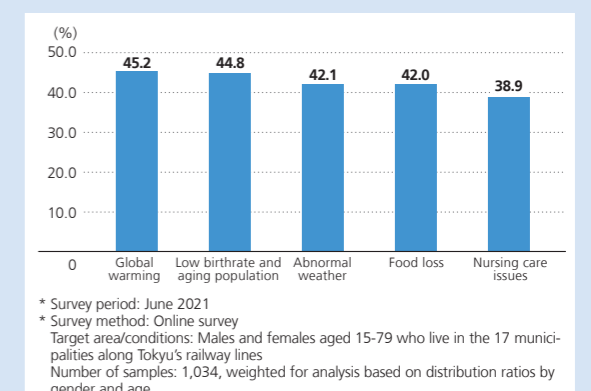


Kawasaki King Skyfront Tokyu REI Hotel

SDGs Awareness Survey and Tokyu's Activities in 17 Municipalities along Tokyu's railway lines

Contributing to the achievement of SDGs is an inseparable part of sustainable urban development. As part of its dialogue with stakeholders, the Group has conducted an SDGs awareness survey of residents living along Tokyu's railway lines since FY2019. In the FY2021 survey, the SDGs awareness rate was 81.5%, an increase of 35 percentage points from the previous year. The Group is also making efforts to raise awareness of the SDGs through such means as the operation of the SDGs Train by Tokyu Railways. In addition, this survey shows a strong interest in environmental issues such as global warming, abnormal weather, and food loss, as well as social issues such as declining birthrate and aging population and nursing care issues. We will continue to promote initiatives that sincerely address these social issues, including efforts toward a decarbonation and recycling-based society.

Top 5 Social Issues Attracting Interest (in Japan)



Safety & Security

Safety Management in the Group

The basis for all businesses of the Group, including the transportation infrastructure business, is safety and the security that comes from it.

In order to promote safety initiatives in an integrated and effective manner, the various our divisions and consolidated companies work together to ensure safety and improve security.

Safety promotion by the company

Safety is at the core of business, and as such, we strive to ensure a high level of safety, endeavoring to raise safety awareness among all employees and improve their skills, through sharing and discussing examples of safety-related initiatives. To make the promotion of safety more effective, the Sustainability Promotion Committee (see page 49), chaired by the President, fulfills the function of safety promotion, sharing important safety-related information and directing the company to take appropriate action.

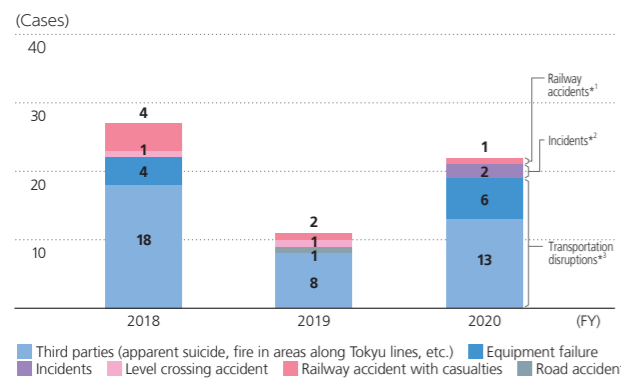
Safety promotion in the consolidated structure

By communicating safety policies to consolidated companies and by sharing information, such as measures for preventing major accidents from recurring, we aim to promote safety as a single united group with common perspectives and approaches. The Tokyu Group Sustainability Promotion Committee (see page 49) meets, in principle, twice a year to discuss the regular agenda item of promoting safety, and is attended by Sustainability Promotion Managers from Tokyu Corporation and the consolidated companies.

Number of Accidents, Disruptions, etc., at Tokyu Railways, Sorted by Cause

	FY2018	FY2019	FY2020
Railway accidents*1	5	4	1
Incidents*2	0	0	2
Transportation disruptions*3	22	8	19

*1 Railway accident: Refers to a train collision, train derailment, train fire, level crossing accident, road accident, railway accident with casualties, or railway accident with property loss
 *2 Incident: Refers to a situation where it is recognized that a railway accident may occur
 *3 Transportation disruption: Refers to an impediment to the operation of a train, other than a railway accident



Safety management at Tokyu Railways

Responsible for the railway business, Tokyu Railways has built a unified safety management system which covers from top management to frontline employees, based on the Safety Management Regulations which stipulate systems and methods for safety management. With a focus on accident prevention and recurrence prevention, by ensuring necessary measures are implemented, and by each and every employee using their imagination from many different angles to anticipate and eliminate risk, we will spare no effort in the pursuit of safety so that our customers can continue to use our services with confidence.

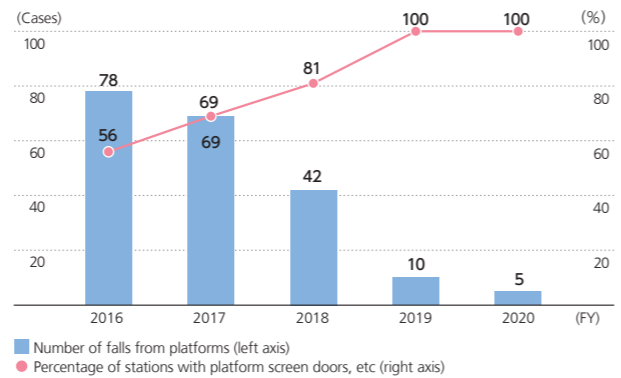
Ensuring safety is our highest priority in the railway business. Our Safety Policy prescribes our philosophy on ensuring safety in transportation, while the Safety Code of Conduct prescribes the principles for conduct by railway workers. In addition, our Priority Safety Measures list those initiatives to be undertaken as a priority in order to achieve the targets set for the resolution of issues identified for ensuring safety in transportation.

Based on the Safety Policy, Safety Code of Conduct and Priority Safety Measures, we will work to ensure safety is maintained and improved, fostering risk sensitivity as we reemphasize awareness for safety.

WEB Please see the following for the Tokyu Railways Safety Report. (Japanese only)
https://www.tokyu.co.jp/railway/service/activity/safety/webcate_list.html

Safety Measures on Station Platforms

Changes in number of falls from platforms and percentage of stations with platform screen doors, etc., installed



In FY2019, Tokyu Railways became the first major private railway company to install platform screen doors and fixed platform barriers equipped with sensors at 100% of stations (excluding the Setagaya Line and the Kodomonokuni Line).

These measures have reduced falls from platforms by about 90% over the past five years. In addition to ensuring passenger safety, they have also had a significant effect on the stability of services, such as reducing transportation disruptions caused by people falling onto the tracks and other incidents.

Business Continuity Structure within the Group

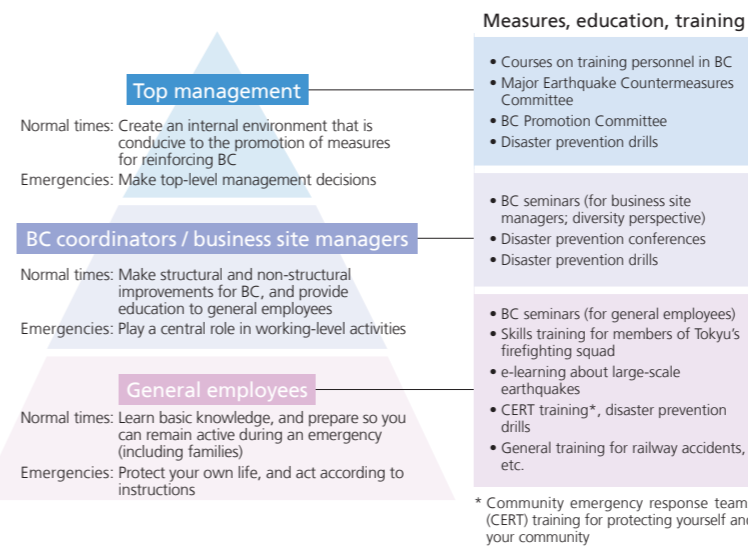
Tokyu Corporation is engaged in business operations that are closely connected to the lives of many customers, including the transportation business, the real estate, and the life services business. We have therefore been working hard to strengthen our business continuity (BC) structure, so that, even in the event of a massive earthquake or other disaster, our business functions can be maintained and/or swiftly recovered while ensuring safety. As one of these initiatives, for the purpose of strengthening BC structures at our consolidated companies, we have established the Tokyu BC Committee, led by the president of Tokyu Corporation, and we are promoting BC at our consolidated companies, working hard to ensure that BC can be carried out, from the departments at head office, to the various

frontline units providing customer service.

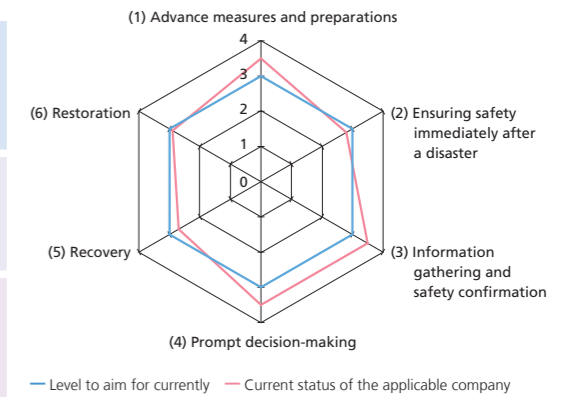
The committee shares advanced case studies from each company, objectively evaluates and analyzes the progress of large-scale earthquake countermeasures, and promotes the development of an effective system through the self-help efforts of each company as well as support from outside experts. Furthermore, we have created an opportunity to learn from experts about the unknown response to COVID-19.

In addition, at facilities in Shibuya Station and our other key stations and on our major train lines, as well as at commercial facilities, hotels and other establishments, we are conducting simulations and training for the scenario of a large-scale earthquake.

Roles, Measures, Education, and Training by Rank (Our Company)



Example of Progress Evaluation of Large-scale Earthquake Countermeasures



PDF Please see the following for the Tokyu Group BC FACT BOOK, a booklet introducing the advanced BC initiatives of Tokyu Group companies. (Japanese only)
https://www.tokyu.co.jp/tokyu/bc_factbook.pdf

Response as a Social Infrastructure Company to the COVID-19 pandemic

As the effects of COVID-19 continue, we are continuing our business while ensuring the safety and security of our customers and employees through the implementation of various measures to maintain our social functions as an infrastructure that supports daily life and economic activities.



Major examples

Tokyu Railways Tokyu Bus Corporation	<ul style="list-style-type: none"> • Anti-virus and anti-bacterial treatment of vehicles and station facilities • Non-contact, automatic water faucets in station toilets • Response to requests to move up the closing time of trains and buses
Tokyu Department Store Tokyu Store Chain	<ul style="list-style-type: none"> • Installation of anti-splash boards in front of cash registers • Clearly indicate the spaced alignment positions
Tokyu Hotels	<ul style="list-style-type: none"> • Provide hotels to the national and local governments as waiting accommodations for returnees and asylum and treatment facilities for those with minor illnesses or asymptomatic infections
Tokyu Hospital	<ul style="list-style-type: none"> • Vaccination of local residents, medical personnel, and employees of the Group
Head office departments	<ul style="list-style-type: none"> • Promotion of remote work
Common items	<ul style="list-style-type: none"> • Set up disinfectant solution • Take care of employees' physical condition and wear masks • Thorough ventilation of facilities

Corporate Governance

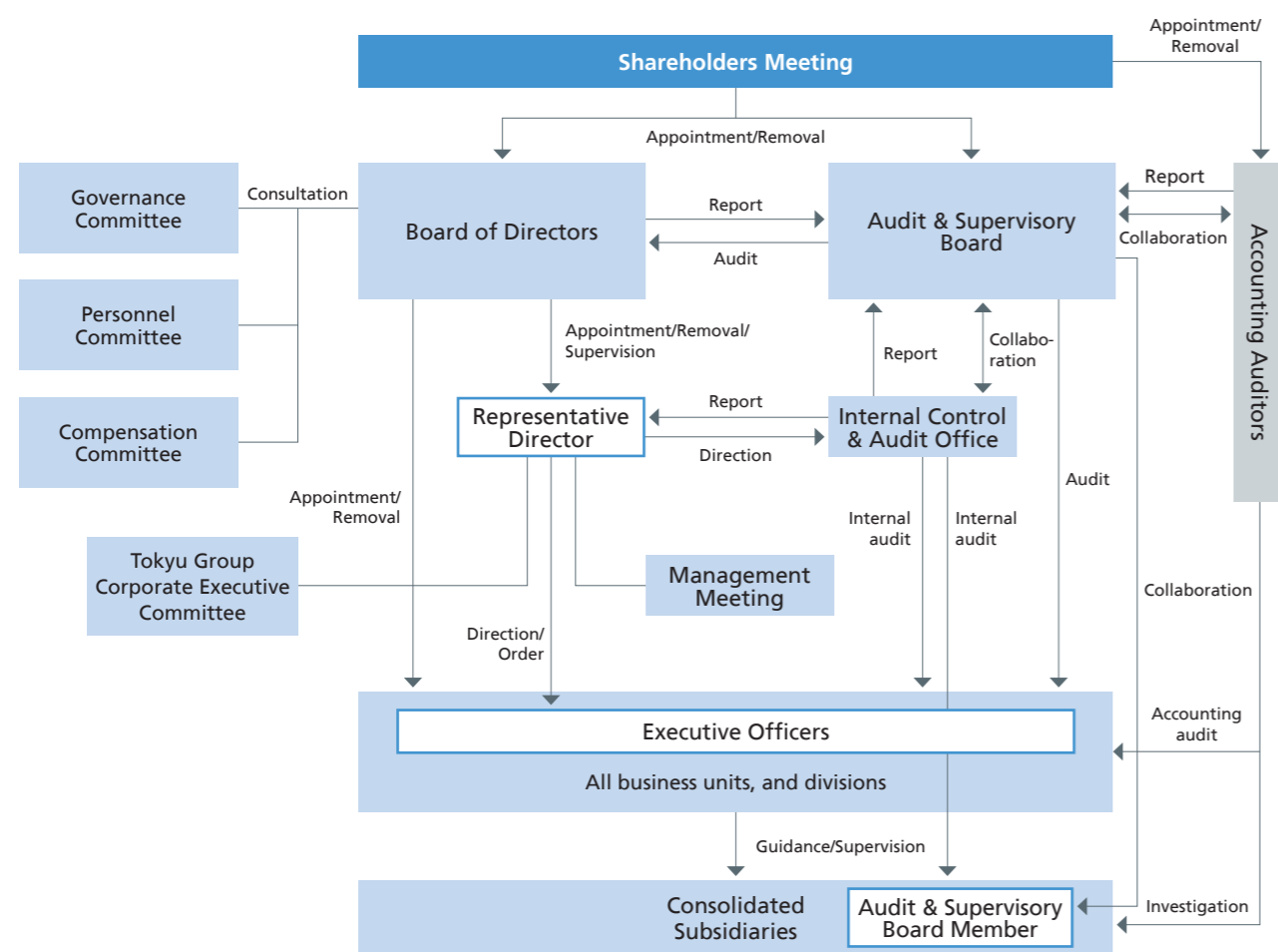
Overview of Corporate Governance

To accurately take in changes in society and realize management from a multi-faceted perspective, in 2018, Tokyu formulated material sustainability themes (materiality), and clearly positioned corporate governance and compliance as one of these material themes. In addition, with an aim of realizing the best corporate governance that fits in with society and the global management environment, we also established the Corporate Governance Guidelines. Going forward, as a company responsible for the infrastructure of society, we will ensure fairness and transparency in management and fulfill our duty of accountability to stakeholders in order to achieve sustainable growth and increase corporate value over the medium- to long-term.

We have also positioned our Board of Directors as the highest body that manages and supervises our operations. The Board of Directors resolves Tokyu's management policies and important matters related to the execution of operations in accordance with laws and regulations, the Articles of Incorporation and the Board of Directors Rules. It also supervises directors in their performance of duties. In addition, to clarify the management's functions for decision-making, supervision, and execution of operations, we have adopted an executive officer system, and as a company with a board of company auditors, the execution of duties by Directors and Executive Officers is audited by Audit & Supervisory Board Members and the Audit & Supervisory Board.

 **Corporate Governance Guidelines**
https://www.tokyu.co.jp/ir/english/manage/pdf/Corporate_Governance_Guidelines.pdf

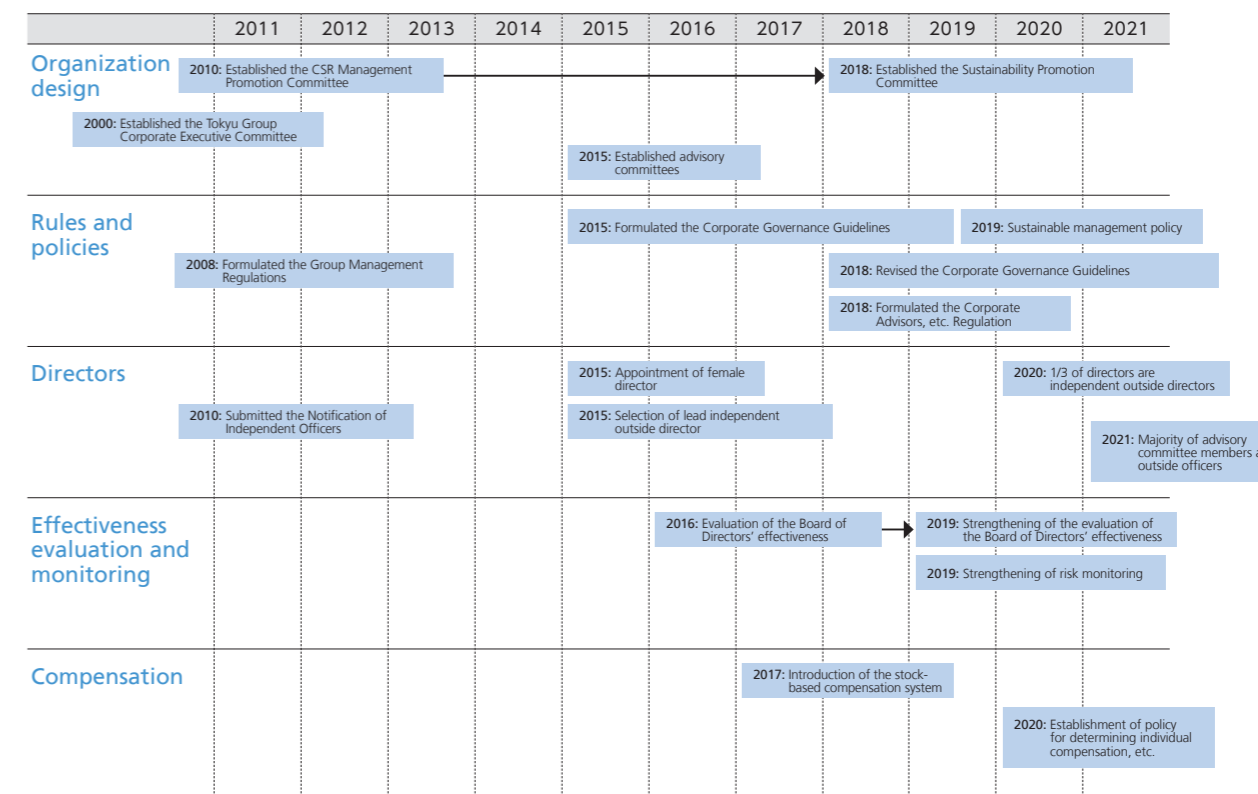
Corporate Governance Report (Japanese only)
<https://www.tokyu.co.jp/ir/manage/pdf/governance-r.pdf>



Initiatives to Strengthen Corporate Governance

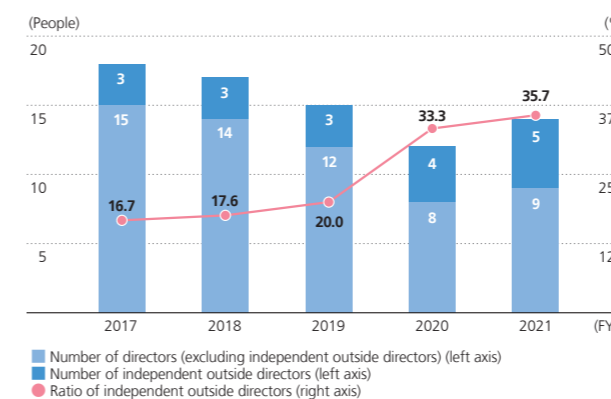
To realize sustainable growth, the strengthening of corporate governance is an important issue to be undertaken, and we have continued to work on such strengthening. In FY2020, we established poli-

cies for determining sustainable management policies and individual compensation for directors, and reviewed the composition of the Board of Directors.



Executive Composition Highlights

Composition of Board of Directors (changes)



Tokyu Corporation continuously reviews the composition of Board of Directors. At present, 5 out of 14 of our directors are independent outside directors.

Ratio of independent outside directors	Ratio of female directors	Ratio of outside audit & supervisory board members
5 out of 14	2 out of 14	2 out of 4
Ratio of advisory committee members that are outside officers		
Governance Committee	Personnel Committee	Compensation Committee
3 out of 5	3 out of 5	2 out of 3

(As of June 29, 2021)

Officers

(as of June 29, 2021)

Directors



Hirofumi Nomoto
Chairman of The Board & Representative Director

Joined Tokyu Corporation in 1971. Appointed as President & Representative Director of Tokyu Corporation in April 2011 after positions such as President & Representative Director of its communications Inc., Senior Executive General Manager of Tokyu Corporation's Real Estate Development Business Unit, and Senior Executive General Manager of Tokyu Corporation's Urban Life Produce Business Unit. Current position since April 2018.



Kazuo Takahashi
President & Representative Director

Joined Tokyu Corporation in 1980. Current position since April 2018, after positions such as Managing Executive Director of Tokyu Bus Corporation, and Executive General Manager of Tokyu Corporation's Corporate Administration Headquarters.



Masao Tomoe
Vice President & Representative Director

Joined Tokyu Corporation in 1976. Current position since April 2017 after positions such as Executive General Manager of Tokyu Corporation's Finance & Accounting Strategy Headquarters, and Executive General Manager of Tokyu Corporation's Human Resources Headquarters.



Toshiyuki Hoshino
Director & Senior Managing Executive Officer

Joined Tokyu Corporation in 1980. Current position since April 2017 after positions such as General Manager of Real Estate Management Headquarters, Real Estate Development Business Unit of Tokyu Corporation, Executive General Manager of Tokyu Corporation's Management Headquarters, and Executive General Manager of Tokyu Corporation's International Business Headquarters. (Responsible for Hospitality Business Unit and International Business Strategy Headquarters)



Kunio Shimada
Independent officer
Director

Apr 1986 Registered with the Dai-ichi Tokyo Bar Association
Oct 1991 Admitted to the New York State Bar
Jul 2010 Representative Partner of Shimada Hamba & Osajima (to the present)
Jun 2011 Outside Director of Tsugami Corporation
Nov 2013 Supervisory Officer of Hulic Reit, Inc. (to the present)
Jun 2018 Director who are members of the audit and supervisory committee of Tsugami Corporation (to the present)
Jun 2021 Director of Tokyu Corporation (to the present)



Hiroshi Shimizu
Independent officer
Director

Mar 2012 Managing Executive Officer of Nippon Life Insurance Company
Jul 2013 Director and Managing Executive Officer of Nippon Life Insurance Company
Jul 2014 Managing Executive Officer of Nippon Life Insurance Company
Mar 2016 Senior Managing Executive Officer of Nippon Life Insurance Company
Jul 2016 Director and Senior Managing Executive Officer of Nippon Life Insurance Company
Apr 2018 President & Representative Director of Nippon Life Insurance Company (to the present)
Jun 2021 Director of Tokyu Corporation (to the present)



Hirohisa Fujiwara
Director & Managing Executive Officer

Joined Tokyu Corporation in 1983. Current position since April 2018 after positions such as Director and Executive Officer of Tokyu Facility Service Co., Ltd., Deputy Executive General Manager of Tokyu Corporation's International Business Headquarters, and Executive General Manager of Tokyu Corporation's Finance & Accounting Strategy Headquarters. (Responsible for Retail Business Unit and Finance & Accounting Strategy Headquarters)



Toshiyuki Takahashi
Director & Managing Executive Officer

Joined Tokyu Corporation in 1982. Current position since April 2018 after positions such as Executive General Manager of Tokyu Corporation's International Business Headquarters, President & Representative Director of Tokyu Facility Service Co., Ltd., and Senior Executive General Manager of Tokyu Corporation's Urban Development Business Unit. (Responsible for Development Business Unit)



Setsu Hamana
Director & Managing Executive Officer

Joined Tokyu Corporation in 1983. Current position since April 2020 after positions such as Executive General Manager of Building Headquarters, Urban Life Produce Business Unit of Tokyu Corporation, and President & Representative Director of Tokyu Facility Service Co., Ltd. (Responsible for Corporate Planning Headquarters, Human Resources Headquarters, and Tokyu Hospital)



Kiyoshi Kanazashi
Director

Apr 2008 President & Representative Director, Chief Executive Officer of Tokyu Land Corporation
Jun 2012 Director of Tokyu Corporation (to the present)
Oct 2013 President & Representative Director of Tokyu Fudosan Holdings Corporation
Apr 2015 Chairman and Representative Director of Tokyu Fudosan Holdings Corporation
Apr 2020 Chairman of Tokyu Fudosan Holdings Corporation (to the present)

Audit & Supervisory Board Members



Takehiko Shimamoto
Full-time Audit & Supervisory Board Member

Apr 2008 Executive Officer of The Bank of Tokyo-Mitsubishi UFJ Bank, Ltd.
Apr 2009 Executive Officer of Mitsubishi UFJ Financial Group, Inc.
May 2012 Managing Executive Officer of The Bank of Tokyo-Mitsubishi UFJ Bank, Ltd.
Apr 2012 Managing Executive Officer of Mitsubishi UFJ Financial Group, Inc.
Jun 2012 Managing Director of The Bank of Tokyo-Mitsubishi UFJ Bank, Ltd.
Jun 2015 Corporate Auditor of Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.
Jun 2018 Corporate Auditor of Mitsubishi UFJ Securities Holdings Co., Ltd.
Member of the Board of Directors of Mitsubishi UFJ Financial Group, Inc.
Jun 2018 Audit & Supervisory Board Member of Tokyu Corporation (to the present)



Naohisa Akimoto
Full-time Audit & Supervisory Board Member

Apr 1981 Joined Tokyu Corporation
Apr 2009 Executive Officer of Tokyu Car Corporation
Jun 2009 Director and Executive Officer of Tokyu Car Corporation
Apr 2012 Executive Officer of Tokyu Corporation, Senior Executive General Manager of Life Services Business Unit of the Company
Apr 2014 Operating Officer of Tokyu Agency Inc.
Jun 2014 Senior Managing Director and Operating Officer of Tokyu Agency Inc.
Jun 2016 Audit & Supervisory Board Member of Tokyu Corporation (to the present)



Kunio Ishihara
Independent officer
Audit & Supervisory Board Member

Jun 1998 Member of the Board, Managing Director of The Tokio Marine & Fire Insurance Co., Ltd.
Jun 2000 Member of the Board, Senior Managing Director of The Tokio Marine & Fire Insurance Co., Ltd.
Jun 2001 Member of the Board, President of The Tokio Marine & Fire Insurance Co., Ltd.
Apr 2002 Member of the Board, President of Millea Holdings, Inc. (current Tokio Marine Holdings, Inc.)
Jun 2007 Chairman of the Board of Millea Holdings, Inc.
Jun 2012 Audit & Supervisory Board Member of Tokyu Corporation (to the present)
Jun 2013 Advisor of The Tokio Marine & Fire Insurance Co., Ltd. (to the present)



Shigeo Tsuyuki
Independent officer
Audit & Supervisory Board Member

Jul 2008 Director and Managing Executive Officer of The Dai-ichi Mutual Life Insurance Company
Apr 2010 Director and Managing Executive Officer of The Dai-ichi Life Insurance Company, Limited
Apr 2011 Director and Senior Managing Executive Officer of The Dai-ichi Life Insurance Company, Limited
Apr 2014 Representative Director and Vice President of The Dai-ichi Life Insurance Company, Limited
Oct 2016 Representative Director and Vice President of Dai-ichi Life Holdings, Inc.
Apr 2017 Representative Director and Vice Chairman of Dai-ichi Life Holdings, Inc.
Jun 2020 Audit & Supervisory Board Member of Tokyu Corporation (to the present)
Apr 2021 Director of Dai-ichi Life Holdings, Inc.
Jun 2021 Advisor of The Dai-ichi Life Insurance Company, Limited (to the present)



Isao Watanabe
Director
Corporate Consultant

Joined Tokyu Corporation in April 1979. He has served as General Manager of the Urban Life Produce Business Unit and Senior Managing Executive Officer, President & Representative Director of Tokyu Railways Co., Ltd. from September 2019 to present. He has also served as Director of Tokyu Corporation from June 2021 to present.



Keiichi Konaga
Independent officer
Director
Lead Independent Outside Director

Jun 1984 Administrative Vice-minister of the Ministry of International Trade and Industry
Mar 1989 Vice President and Director of Arabian Oil Company, Ltd.
Mar 1991 President and Director of Arabian Oil Company, Ltd.
Jan 2003 President and Director of AOC Holdings, Inc.
Jun 2004 Corporate Advisor of AOC Holdings, Inc.
Jul 2005 Chairman of Research Institute of Economy, Trade and Industry
Jun 2007 Director and Corporate Advisor of AOC Holdings, Inc.
Jun 2008 Special Advisor of AOC Holdings, Inc.
Director of Tokyu Corporation (to the present)
Jun 2013 President of Human Resources Training Center Japan (to the present)



Reiko Kanise
Independent officer
Director

Apr 1975 Joined Hakuhold Incorporated
Feb 1993 Representative Director of Kei Associates Inc. (to the present)
Jun 1999 President and Representative Director of Aeon Forest Co., Ltd. (The Body Shop)
Jan 2001 Member of the Consumer Committee of Japan Retailers Association (to the present)
May 2001 Director of the Japan Council of Shopping Centers (to the present)
May 2004 Chairperson of Information Committee of the Japan Council of Shopping Centers (to the present)
Feb 2007 Representative Director of Lenajapan Institute Co., Ltd. (to the present)
Oct 2010 Visiting professor at Showa Women's University (to the present)
Jun 2015 Director of Tokyu Corporation (to the present)
Sep 2015 Member of the Consumer Commission, Cabinet Office
Dec 2020 Outside Director of FOOD&LIFE COMPANIES Inc. (to the present)



Midori Miyazaki
Independent officer
Director

Apr 1988 Part-time Instructor of Department of Social Engineering, Tokyo Institute of Technology
Apr 2000 Professor of Faculty of Policy Informatics, Chiba University of Commerce
Apr 2001 Director of Kagoshima Anami Park and Director of Tanaka Ison Museum (to the present)
Jun 2001 Director of Sony Education Foundation (to the present)
Mar 2006 Outside Audit & Supervisory Board Member of Showa Shell Sekiyu K.K.
Apr 2006 Professor of Chiba University of Commerce (to the present)
Jan 2009 Advisor of Policy Alternatives Research Institute, The University of Tokyo
Jun 2013 Member of the Tax Commission, Cabinet Office
Apr 2014 Trustee of Educational Institution Chiba Gakuen
Member of the Council on the House of Representatives Electoral Districts (to the present)
Apr 2015 Dean of Faculty of International Liberal Studies, Chiba University of Commerce
Jun 2020 Director of Tokyu Corporation (to the present)
Feb 2021 Member of the National Public Safety Commission (to the present)

Executive Officers

(as of June 29, 2021)

In April 2005, we introduced an executive officer system to strengthen our business execution system by promoting the separation of management and execution, and clarifying authority and responsibility. Executive officers who do not concurrently serve as directors are as follows.

Senior Managing Executive Officer	Toshiyuki Ichiki	Responsible for Transportation Infrastructure Business Unit and Shinjuku Project Planning & Development Headquarters	Executive Officer	Takuya Iwai	Executive General Manager of Urban Development Headquarters
Managing Executive Officer	Masahiro Horie	Responsible for Building Management Unit	Executive Officer	Mie Kanai	Executive General Manager of Lifestyle Service Business Headquarters
Executive Officer	Hidetoshi Tajima	Responsible for Corporate Affairs Headquarters	Executive Officer	Akinori Kanayama	Executive General Manager of Hospitality Business Headquarters
Executive Officer	Ryousuke Toura	Responsible for Lifestyle Service Business Unit, Future Design Lab	Executive Officer	Toshitake Ashizawa	Executive General Manager of Human Resources Headquarters
Executive Officer	Seiichi Fukuta	Executive General Manager of Transportation Infrastructure Headquarters	Executive Officer	Kyosuke Toda	Executive General Manager of Finance & Accounting Strategy Headquarters

Expertise and Diversity of Officers / Evaluation of Effectiveness of the Board of Directors

Expertise and diversity of officers

The company takes into consideration the diversity of knowledge, experience, ability, and areas of expertise of the Board of Directors

as a whole, as well as the balance of its composition, and appoints candidates to the Board of Directors who have abundant experience as managers and excellent insight into the company's business fields.

Skill Matrix

Primary expertise and background (knowledge and experience expected of directors and audit & supervisory board members)

	Transportation	Real Estate	Life Services	Hotel and Resort	Corporate management	Finance and accounting	Legal affairs and risk management	Human resources and labor relations	Global	Sustainability (ESG)	IT and digital technology
Chairman of The Board & Representative Director Hirofumi Nomoto		●	●		●						●
President & Representative Director Kazuo Takahashi	●				●			●		●	
Representative Director Masao Tomoe					●	●	●	●			
Director Toshiyuki Hoshino				●	●				●		
Director Hirohisa Fujiwara					●	●			●		●
Director Toshiyuki Takahashi		●			●				●		
Director Setsumi Hamana		●	●		●			●			
Director Kiyoshi Kanazashi		●			●					●	
Director Isao Watanabe	●	●	●		●						
Director <small>Independent officer</small> Keiichi Konaga					●		●		●		
Director <small>Independent officer</small> Reiko Kanise			●		●				●		
Director <small>Independent officer</small> Midori Miyazaki									●	●	
Director <small>Independent officer</small> Kunio Shimada							●		●		
Director <small>Independent officer</small> Hiroshi Shimizu					●	●				●	
Full-time Audit & Supervisory Board Member Takehiko Shimamoto					●	●	●	●			
Full-time Audit & Supervisory Board Member Naohisa Akimoto			●		●	●					
Audit & Supervisory Board Member <small>Independent officer</small> Kunio Ishihara					●	●	●				●
Audit & Supervisory Board Member <small>Independent officer</small> Shigeo Tsuyuki					●	●	●		●		

Evaluation of effectiveness of the Board of Directors

Assessment Method

The company analyzes and evaluates the effectiveness and efficiency of the decision-making process of the Board of Directors by conducting a questionnaire survey of all directors and all audit & supervisory board members and interviews with representative directors and independent directors. The results of these analyses and evaluations are evaluated by external experts (lawyers) from a third-party perspective, and then deliberated by the Governance Committee and the Board of Directors. Starting in FY2019, an external consultant will implement this to objectively understand

the future direction of the project in order to enhance its effectiveness.

Main items of evaluation

- Management of the Board of Directors
- Corporate strategies and business strategies
- Corporate ethics and risk management
- Performance monitoring and management evaluation/compensation
- Dialogue with shareholders
- Group governance



Conducted by an external consultant

Details of Initiatives for FY2020 Based on the FY2019 Evaluation

FY2019 evaluation results (issues)	Initiatives for FY2020
<ul style="list-style-type: none"> ◆ Contribution to strategies for realizing the corporate philosophy and improving corporate value • Provide more information on the strategies of each business and on the risks in executing them 	<ul style="list-style-type: none"> • Reporting on business monitoring agenda items • Providing further information on each business and the risks involved in executing strategies • Reporting on the business restructuring of subsidiaries
<ul style="list-style-type: none"> ◆ Establishment and operation of an appropriate governance system • Review the personnel/compensation of the Board of Directors based on Tokyu Corporation's business characteristics in order to further enhance objectivity and transparency 	<ul style="list-style-type: none"> • Submission of the policy for determining directors' compensation
<ul style="list-style-type: none"> ◆ Supervision of business execution • Enhance Group governance based on the business characteristics of each Group company in order to optimize the balance between speed improvement and management of business • Provide information on the impact of the digital revolution on business, etc. • Provide appropriate information on external opinions, etc., obtained through dialogue with shareholders, etc. 	<ul style="list-style-type: none"> • Reporting on Tokyu Railways' efforts to ensure safe and stable transportation • Reporting on scandals, accidents, etc. (increase in frequency) • Reporting on the establishment of joint ventures for digital marketing and other purposes • Reporting on the Tokyu line's area MaaS demonstration experiment • Reporting on interim stock status and IR activities

Results of the FY2020 Evaluation

The evaluation concerning the effectiveness of the Board of Directors was generally positive, confirming that an awareness to achieve sustainable growth and improve corporate value over the medium to long term is shared within the Board of Directors, and that progress

is being made in building structures and fostering a climate in which the opinions of outside officers are properly reflected. On the other hand, it was indicated that issues identified as matters to be considered for further advancement should be addressed.

Results of the FY2020 evaluation (issues)

- ◆ Contribution to strategies for realizing the corporate philosophy and improving corporate value
 - In light of the drastic changes in the business environment caused by the COVID-19 pandemic, we will respond with a sense of speed and hold discussions regarding the review of our strategy and business portfolio
- ◆ Establishment and operation of an appropriate governance system
 - Ensuring ongoing transparency of personnel and compensation matters at the Board of Directors
- ◆ Supervision of business execution
 - Discussions and initiatives regarding strategies based on changes in the environment caused by digital technologies
 - Deepening of discussions on risk in light of the diversity of businesses

Board of Directors Deliberations / Advisory Committees / Management Personnel Training / Compensation

Key deliberations by the Board of Directors

The main deliberations by the Board of Directors in FY2020 are as follows. In addition to agenda items and reported matters, the Board

of Directors discusses a wide range of topics, such as by appropriately reporting from time to time in response to changes in society and the environment in which we operate.

	Main resolutions and reported matters, etc.	
First quarter	<ul style="list-style-type: none"> Open call for public project partners for urban redevelopment projects Evaluation of effectiveness of the Board of Directors Matters relating to internal control Verification of the significance of cross-shareholdings 	<ul style="list-style-type: none"> Corporate Governance Report Response to COVID-19 Development of systems appropriate for business operations
Second quarter	<ul style="list-style-type: none"> Matters relating to the airport management business Audit Plan for Audit & Supervisory Board Members Response to low-carbonization and recycling-based society and TCFD Real estate leasing business in urban redevelopment projects 	<ul style="list-style-type: none"> Financing to subsidiaries Progress in matters resolved and reported by the Board of Directors Issuance of ESG bonds
Third quarter	<ul style="list-style-type: none"> Policy for the formulation of the next medium-term management plan Initiatives in overseas business Demonstration experiment in transportation infrastructure business Initiatives for safe and stable transportation in the railway business 	<ul style="list-style-type: none"> Reform of business structure of subsidiaries Transfer of some businesses to subsidiaries Changes in business plans for development projects
Fourth quarter	<ul style="list-style-type: none"> Implementation of new projects in the lifestyle service business Revision of business organization Response to opinions of institutional investors Policy for determining the compensation of individual directors 	<ul style="list-style-type: none"> Responding to risk in consolidated management Underwriting of new shares by subsidiaries Bond offerings

Advisory Committees to the Board of Directors

The Governance Committee, Personnel Committee, and Compensation Committee have been established as advisory committees to the Board of Directors. These committees include outside directors

among their members, and are all chaired by an outside director. By deliberating on such matters as the personnel and compensation of directors, etc., we are working to strengthen corporate governance by ensuring objectivity and transparency in these matters.

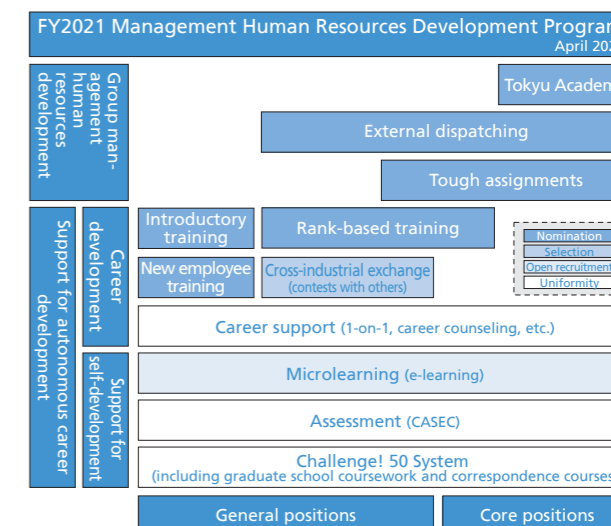
Chair

	Governance Committee	Personnel Committee	Compensation Committee
Members (From June 29, 2021)	<ul style="list-style-type: none"> Chair: Kunio Shimada (Independent Outside Director) Keiichi Konaga (Lead Independent Outside Director) Kunio Ishihara (Independent Outside Audit & Supervisory Board Member) Hirofumi Nomoto (Chairman of The Board & Representative Director) Kazuo Takahashi (President & Representative Director) 	<ul style="list-style-type: none"> Chair: Keiichi Konaga (Lead Independent Outside Director) Reiko Kanise (Independent Outside Director) Kunio Shimada (Independent Outside Director) Hirofumi Nomoto (Chairman of The Board & Representative Director) Kazuo Takahashi (President & Representative Director) 	<ul style="list-style-type: none"> Chair: Keiichi Konaga (Lead Independent Outside Director) Kunio Shimada (Independent Outside Director) Hirofumi Nomoto (Chairman of The Board & Representative Director)
Roles	To deliberate corporate governance matters in general	To deliberate on matters such as those relating to the selection of director candidates, the selection and dismissal of representative directors and their successors, appointment and dismissal of executive officers, etc., and the appointment of Corporate Advisors, etc.	Delegated by the directors to deliberate and resolve matters relating to the allocation of compensation of directors, and the compensation of Corporate Advisors, etc.
Number of times held (FY2020)	3 times	5 times	3 times
Attendance rate (FY2020)	100%	100%	100%
Main deliberations	Verification of the significance of cross-shareholdings, analysis and evaluation of the effectiveness of the Board of Directors, submission of reports on corporate governance	Selection of representative directors, election of candidates for directors, changes in the division of duties among directors and in the responsibilities of executive officers, appointment, change of position, and resignation of executive officers, etc., and appointment and resignation of representative directors of consolidated subsidiaries	Policy on determination of individual remuneration, etc. for directors, comprehensive performance evaluation and remuneration for individual directors, granting of points in accordance with the share delivery regulations

Management Personnel Training

The Group aims to create new value by confronting social issues and taking on the challenge of solving them. We believe that our representative directors must be capable of promoting management plans based on a long-term perspective and maintaining and improving relationships of trust with stakeholders important to our business, including shareholders, customers, residents along our railway lines, government agencies, related businesses, creditors, and employees and their families. The representative directors take sufficient time to select candidates with these qualities, and train them by having them gain the necessary experience, and the Personnel Committee, which is an advisory body to the Board of Directors, discusses the appropriateness of the candidates and the details of their training before reporting to the Board of Directors. In addition, we develop management personnel mainly through the following three initiatives.

- Implementing educational programs centered on the Tokyu Academy (held jointly with Group companies)
- Dispatching employees to externally sponsored training programs
- Systematically assigning officers from Group companies to work (tough) assignments



Policy and decision-making process for executive compensation

Although the policy regarding the determination of compensation of directors had previously been decided by the Compensation Committee, after consulting the Compensation Committee, the decision was made by the Board of Directors on February 24, 2021.

The compensation for directors aims to further increase awareness about contributing toward increasing the medium- to long-term corporate value as well as maximizing shareholder value. It comprises fixed compensation that reflects the roles and responsibilities of directors; performance-linked compensation calculated from the overall performance evaluation of the departments the respective officers are responsible for; and stock-based compensation for shareholders and directors to share value from a more medium- to long-term perspective. For directors who concurrently serve as executive officers, the ratio of such remuneration is approximately fixed compensation: total performance evaluation compensation: stock-based compensation = 17-26%: 64-72%: 8-12% depending on the position when the total performance evaluation is in the middle range, and varies depending on each individual's evaluation and stock price. The composition and ratio of other directors shall be determined based on their responsibilities

and other factors.

Fixed compensation is determined according to the position and whether or not the director has representative rights. Total performance evaluation compensation is paid only to directors who also serve as executive officers, and is calculated based on a five-step evaluation based on a comprehensive evaluation assessment that takes into account indicators for each department, such as the budget achievement rate and execution rate for the department in charge, based on the medium-term management plan, etc. With respect to stock-based compensation, the company uses a stock delivery trust for directors concurrently serving as executive officers, the Chairman of the Board of Directors, Director & Corporate Advisor, and Director & Corporate Consultant, and delivers and provides them with Company shares and cash based on stock delivery points that are granted in stages according to their positions and other factors.

In order to ensure the objectivity and transparency of the decision-making process, the Compensation Committee is entrusted with the responsibility of deciding the overall performance evaluation and remuneration for each individual in accordance with the basic policy.

Total Amount of Compensation of Directors and Audit & Supervisory Board Members

Officer category	Total amount of compensation, etc. (million yen)	Total amount of compensation, etc., by type (million yen)			Number of applicable persons
		Monetary compensation		Stock-based compensation	
		Fixed compensation	Performance-linked compensation		
Directors (of which, outside directors)	386 (36)	164 (36)	183 (—)	38 (—)	16 (5)
Audit & supervisory board members (of which, outside audit & supervisory board members)	71 (18)	71 (18)	— (—)	— (—)	5 (3)

Notes: 1. The above figures include four directors and one audit & supervisory board member who retired after their terms ended at the 151st Annual General Meeting of Shareholders held on June 26, 2020.
 2. The total amount of monetary compensation for directors was set as up to 550 million yen annually (of which, up to 45 million yen annually for outside directors, excluding salaries for directors who are concurrently employees) through a resolution passed at the 138th Annual General Meeting of Shareholders held on June 28, 2007. (At the time of the resolution being passed, there were 18 directors, of which three were outside directors.)
 3. The total amount of compensation in the form of shares for directors (excluding outside directors) was set as up to 100 million yen annually through a resolution passed at the 148th Annual General Meeting of Shareholders held on June 29, 2017. The total amount of compensation in the form of shares stated above is the amount accounted as expenses in the current fiscal year. (At the time of the resolution being passed, there were 18 directors, of which four were outside directors.)
 4. The total amount of monetary compensation for audit & supervisory board members was set as up to 90 million yen annually through a resolution passed at the 138th Annual General Meeting of Shareholders held on June 28, 2007. (At the time of the resolution being passed, there were five audit & supervisory board members.)
 5. In consideration of the impact on business performance due to the spread of COVID-19, etc., the Chairman of the Board of Directors, directors who concurrently serve as executive officers, and full-time audit & supervisory board members will voluntarily return 10 to 20% of their monthly monetary compensation from September 2020 (from December 2020 for full-time audit & supervisory board members), and the above amounts are after the voluntary return.

Group Governance / Cross-shareholding

Group governance

In this era of reform, speedy decision-making based on appropriate transfer of authority, monitoring and information-sharing mechanisms is essential for Tokyu to realize Group management in which synergies are demonstrated through a wide range of businesses.

In a major change to the Group's management structure, we split up the railway business in October 2019. Since the railway business has a significant impact on urban development, which is the most important business objective of the Group, basic strategies do need to be considered and shared. But having the day-to-day

business operations run as a subsidiary has allowed our frontline to handle customers more quickly than ever before.

The diagram below shows the company-wide Group management structure for (1) transfer of authority and communication of information, (2) sharing of strategies and performance management, (3) management by business function, and (4) risk management. Drawing on our many years of experience in Group management, we will continue to constantly evolve our company-wide Group management structure while combining standards, systems and meeting committee structures.

▶ Main Initiatives in the Group Management Structure

Category	Details	Related meeting committee structures
(1) Transfer of authority and communication of information	<ul style="list-style-type: none"> Submission of proposals to meeting committee structures and approval, according to business execution standards Process of communicating information on risks, accidents, etc., according to reporting standards Determination of management policies for the Group 	<ul style="list-style-type: none"> Board of Directors Management Meeting Tokyu Group Corporate Executive Committee
(2) Sharing of strategies and performance management	<ul style="list-style-type: none"> Sharing of strategies by management (major subsidiaries and other subsidiaries) Annual monitoring process based on a system of responsible divisions for each business Company performance evaluation and manager evaluation 	<ul style="list-style-type: none"> Group company management meetings Human resource strategy meetings, etc.
(3) Management by business function	<ul style="list-style-type: none"> Sharing of sustainability goals and PDCA management of indicators Sharing of accident information, and prevention Information security, BCP systems and personnel measures which include consolidated companies etc. 	<ul style="list-style-type: none"> Tokyu Group Sustainability Promotion Committee Consolidated CIO Committee BCP Committee Consolidated Personnel Committee, etc.
(4) Risk management	<ul style="list-style-type: none"> Regular information collection and status checks (once a year) Collection and sharing of risk information (in a timely manner depending on the external environment) 	<ul style="list-style-type: none"> Board of Directors Management Meeting Tokyu Group Sustainability Promotion Committee

Approach to listed subsidiaries

The Group has one listed subsidiary, which holds 50.3% of the voting rights of Tokyu Recreation.

The company's Shibuya strategy calls for the further evolution and deepening of Entertainment City SHIBUYA through area management that contributes to regional development and the strategic allocation of retail, hotel, and entertainment functions. In its lifestyle service business strategy, the Company has identified cinema complexes, theaters, and halls as one of the business menus and services that anticipate the diversification of customer needs and changes in lifestyles. On the other hand, Tokyu Recreation has been supported by a large number of individual shareholders since before it became a consolidated subsidiary of the company, and is involved in such projects as the Shinjuku Kabukicho 1-chome Redevelopment Project. In this context, as a consolidated subsidiary responsible for the Group's entertainment strategy, we believe Tokyu Recreation needs to promote various measures based on smooth and prompt cooperative relationships.

As for Nagano Tokyu Department Store, it became a wholly owned subsidiary of the Company as of June 1, 2021.

Group management	<ul style="list-style-type: none"> Continue to work on enhancing the Group management structure to achieve sustainable growth and improve corporate value, such as functionally reorganizing the Group into an operating holding company responsible for Group management and subsidiaries that manage the business operations
Significance of having listed subsidiaries	<ul style="list-style-type: none"> Opinions of individual shareholders are reflected in management Maintenance of diversity in funding methods Ensuring a stable customer base through shareholder benefits Maintenance of social name recognition and credibility
Governance	<ul style="list-style-type: none"> Important business operations are subject to review by parent company meeting committee structures Minority interests are given due consideration as follows: <ul style="list-style-type: none"> ✓ Ensure independence by parent and subsidiary each confirming that they respect independent and agile management ✓ Supervision exercised by independent officers of the subsidiary

Cross-shareholding Policy

Through the maintenance and strengthening of its relationships with business partners, Tokyu Corporation holds shares that are judged to contribute to the business development of Tokyu Corporation and its consolidated subsidiaries, with a view to the smooth implementation of Tokyu Corporation's long-term business and financial strategies. In addition, the Board of Directors assesses the significance of holding listed shares every year from a qualitative perspective considering long-term business and financial strategies, and a quantitative perspective considering economic rationale such as dividends.

In addition, the Board of Directors verifies the significance of holding each listed stock every year, based on qualitative perspectives related to business and financial strategies from a long-term perspective

and quantitative perspectives such as dividend income and other economic rationality.

If it is recognized that cross-holding is not appropriate based on the above-mentioned assessment, our basic policy is to review, such as by reducing the number of shares held, considering the condition of the share market, etc. In FY2020, based on the above verification, we sold two stocks and proceeded with downsizing holdings.

With regard to voting rights, we exercise them appropriately after making a comprehensive judgment based on a case-by-case assessment of whether the resolution will contribute to the enhancement of shareholder value in the medium to long term and whether it will undermine the significance of us holding the shares.

Promotion of Compliance

The Group has established the Tokyu Group Compliance Guidelines as a set of basic compliance rules for the conduct of all officers and employees in the Tokyu Group. Based on these guidelines, we have established the Code of Conduct, and are familiarizing employees with it as much as possible through e-learning and other company-wide training programs, as well as through group training for new recruits and job-specific training for new appointees. Our consolidated subsidiaries have also formulated their own similar codes of conduct, and are working to raise awareness among their employees.

In addition to promptly making a report to management whenever non-compliance incidents transpire, the status of responses to any incident and the status of measures to prevent recurrence are confirmed monthly by the Management Meeting. At biannual meetings of the Sustainability Promotion Committee (see page 49), information is shared and opinions are exchanged on consolidated responses taken for compliance-related issues and for notifications made by insiders, in an effort to prevent serious incidents from occurring.

For the early detection and swift rectification of compliance-related issues, including fraud and scandals, we have also set up and are publicizing the Tokyu Corporation Helpline, a set of contact points for internal reporting. The Tokyu Corporation Helpline has contact points both within the company and at a lawyer's office, ready to respond to reports and consultations from Group employees (including suppliers). A total of 294 reports and requests for advice were received in FY2020.

Number of insider notifications received and consultations (consolidated)

294
(FY2020)

Rate of participation in compliance-related training (the company)

93.3%
(for the past three years)

Raising awareness of business and human rights at sustainability seminars for management

As part of the matters related to systems to ensure the appropriateness of operations, the Group holds an annual sustainability seminar for the management of the company and its consolidated companies.

On July 21, 2021, we invited Toshio Arima, Representative Director of the Global Compact Network Japan (GCNJ), as a lecturer to learn about the Action Plan on Business and Human Rights (2020-2025). In addition to explaining the contents of the action plan, he also presented the principles of business and human rights that are required for corporate management, global trends in awareness of the need for companies to respect human rights, points to be considered in the Group's business, and the direction to aim for.



Sustainability Seminar for Management
Toshio Arima, Representative Director, Global Compact Network Japan
(Also held online)

Dialogue Chairman of The Board & Representative Director × Outside Directors

The role of the board of directors in promoting transformation and becoming a company with sustainable growth

Based on the medium-term, three-year management plan announced in May 2021, Tokyu Corporation is working on transformation to restore profitability and achieve evolution by responding to changes in the business environment.

We asked our outside directors about the role that the Board of Directors plays in this process, as well as their thoughts on the issues facing our company and how to resolve them.

* This interview was conducted online on July 21, 2021 to prevent the spread of COVID-19.

Assessment and Challenges of Board of Directors

Nomoto What is your assessment of the Board of Directors after participating in meetings over the past year? Last year, you gave a very high evaluation of our Board of Directors, but you also pointed out that there were some issues. How about this year?

Konaga I have been serving as an outside director for more than 10 years, and the Board of Directors has been getting younger and younger every year. It is my impression that the entire organization is being revitalized with more active discussions. What has particularly impressed me over the past year is the change in the approach to Tokyu Hotels. Last year, I repeatedly suggested that we should change our way of thinking and approach to turn risks into opportunities, as emergency loans and rationalization were inevitable in the midst of a sharp decline in the number of banquets and a halving of hotel facility occupancy. I feel that the company is making progress in its structural reforms, as it has responded swiftly to my suggestions and has come up with a variety of new initiatives, such as strengthening the personnel system, creating new products, and collaborating with the entertainment business. Also, at the time of the formulation of the medium-term three-year management plan starting in FY2021, I suggested the need to focus on the immediate needs of the company due to the uncertain situation, and the company has been making steady progress in rebuilding our ability to respond to the current situation.

Kanise As an outside director, I feel that the directors have ears to hear opinions from the outside. They also have the strength to work steadily. I have always admired the fact that security and safety are born from within such a spirit. Against this backdrop, I felt that the speed of change in the Tokyu Department Store business was an issue for us. Even before we were affected by the spread of COVID-19, I had suggested that we should change our business model in the department store business, but we were unable to take concrete steps, and in the end, the spread of COVID-19 boosted business. Although one could expect that it would be difficult to change department stores because of their history, but they need to change quickly through the use of digital technology, creativity, and initiatives that go beyond that, using railways and urban and community development as a model.

Nomoto What do you think of the two new appointees? Please tell us your opinions about the company with fresh eyes.

Shimada The relationship between the holding company and the operating companies is a difficult one for any corporate group. There is a view that integrated management in which the directors of the holding company concurrently serve as directors of the operating subsidiaries is more efficient, while there is also a view that the independence of the operating companies should be respected. Recently, the Group has made its railway business a subsidiary and transferred its real estate management business to a subsidiary, so the question is how to build a relationship with operating companies in the future.



Shimizu I myself am in a similar position in that I am involved in the management of the ultra-long term business of life insurance. The most difficult part is to adjust to changes in circumstances, such as short-term economic fluctuations, COVID-19, disasters, and changes in the financial environment, while maintaining an ultra-long term vision. It is extremely difficult and important to understand how to rebuild short-term business performance while keeping a long-term management initiative in mind, as we do at the company. To achieve both, we need to systematically consider sustainability, SDGs, and risk management.

What is the Role of the Board of Directors in Enhancing Corporate Value?

Nomoto What do you think about our role in society? What is the role of the Board of Directors in enhancing corporate value, including its social role?

Shimizu What I feel about the social role of the Tokyu Group is that we are a collection of businesses deeply involved in people's lives, including railway, real estate, retail, and hotels. In the sense of achieving comfort and enjoyment for individuals and corporate workers, we must continue to improve social value such as QOL and wellbeing, which cannot be measured by financial indicators, and at the same time, economic value and profitability are important in the sense that we are actually involved in urban and community development. As a Board of Directors, I think it is necessary to find a direction in which social value and economic value can be improved simultaneously.

Miyazaki There are two directions of logical thinking, deductive and inductive, and in our company, I feel that we have achieved a good balance between the two. Taking the urban and community development of Minami-Machida Grandberry Park as an example, there is the approach of building up ideas from below, such as a deep commitment to each store,

spirituality, and philosophy, and the approach of thinking about how to realize the content of beauty, which is our fundamental value standard. The arrows from both of these approaches are well mixed and directed in the direction we wanted to go, and as a result, we have created communities like this. We are a company with a mission to design and create a lifestyle culture. In an age when what we create is quickly becoming obsolete, I would like to take an objective and multifaceted look from the standpoint of the Board of Directors to see where we should be looking, rather than simply focusing on speed, and how we should adopt a strategy of waiting rather than chasing after the times.



Site visit by outside directors (Minami-Machida Grandberry Park)

Shimada A company survives as long as it meets the needs of society, and is weeded out when it can no longer meet them. However, companies that are responsible for the infrastructure of society cannot be easily weeded out, nor can they exit the market because of their social responsibility. In this light, I fear that unless our group consciously makes reforms, we will tend to fall into a conservative mindset. The role of the Board of Directors is to provide an objective perspective so that the Group does not become too conservative at such times. As an outside director, I would like to be the one to encourage this, or to put the brakes on things when they seem to be crossing the line.

Requests and Suggestions for Us in the Future

Nomoto In order to develop the area around Shibuya Station, we have decided to close Tokyu Toyoko, and redevelop the land of the main store. Drastic proposals have already been made regarding the reform of the department stores, including creation of luxury facilities. This approach of adding value by combining the businesses of each segment needs to be done while constantly reviewing the Group's management structure. I would like to hear your serious opinions on how to proceed with such reforms.

Kanise I have two suggestions regarding human resources. Firstly, I would like Tokyu to become a leader in the utilization of female human resources and become the number one company where women want to work. As I enter my sixth

year as an outside director, I have a meeting with female employees every few months. What I find is that the managers, especially those who are candidates for executive positions, are highly capable and have a strong awareness of issues. The other thing I see as a major challenge for our company now is the development of the next management team that has the flexibility, creativity, and decisiveness to respond to changes in the world as it is changing.



Site visits by outside directors (Nagatsuta train driver's ward and conductor's ward)

Miyazaki Up until now, lifestyle and culture has focused on food, clothing, and shelter, in other words, the real, down-to-earth aspects of life, but in the future, the emphasis will shift more and more to the digital world. When we look at the behavior of young people, there are times when we are led to believe that the self in cyberspace is the real thing and the real self is an accessory. When we think about life in the new normal, we need to sharpen our sensibilities, and at the same time, we need to look ahead to a "Beautiful Age" that will be created by a story that intertwines various elements such as lifestyle, culture, and education, and we need to be determined to move the world in that direction.

Shimada Up until now, the company has expanded the scope of our business and increased our corporate value by engaging in various businesses, starting with railways and responding to the needs of people along our railway lines. Recently, new needs have arisen with the expansion of remote work and telecommuting due to the effects of COVID-19. I believe that our company will continue to be required to quickly identify the needs of people along our railway lines and provide services that meet those needs, while at the same time anticipating the future and proposing new services.

Shimizu I have a strong sense that you are consistently working to transform each of your businesses. We are in a position where we have to simultaneously promote transformation and long-term vision. I am confident that we will become an even stronger corporate group if all employees can work together under the leadership of the management team. I believe that we will become a great corporate group if we can all create and share a growth story for our group.

To Be a Company that Realizes the Slogan of "Toward a Beautiful Age"

Nomoto We will celebrate our 100th anniversary next year, and during this time we have consistently pursued safety and comfort. In 1972, the Company's 50th year in business, we created our first Group slogan, "Humanizer Tokyu Group for Human Enrichment." During a time when it was said that 100 million people were in the middle class, we were involved in businesses related to deepening the richness of our lives. In 1997, we adopted the group slogan, "Towards a Beautiful Age," which is in line with the current concept of SDGs and "Reiwa" (beautiful harmony). What do you think is necessary for a company to continue to be trusted as it moves toward the realization of "Toward a Beautiful Age"?

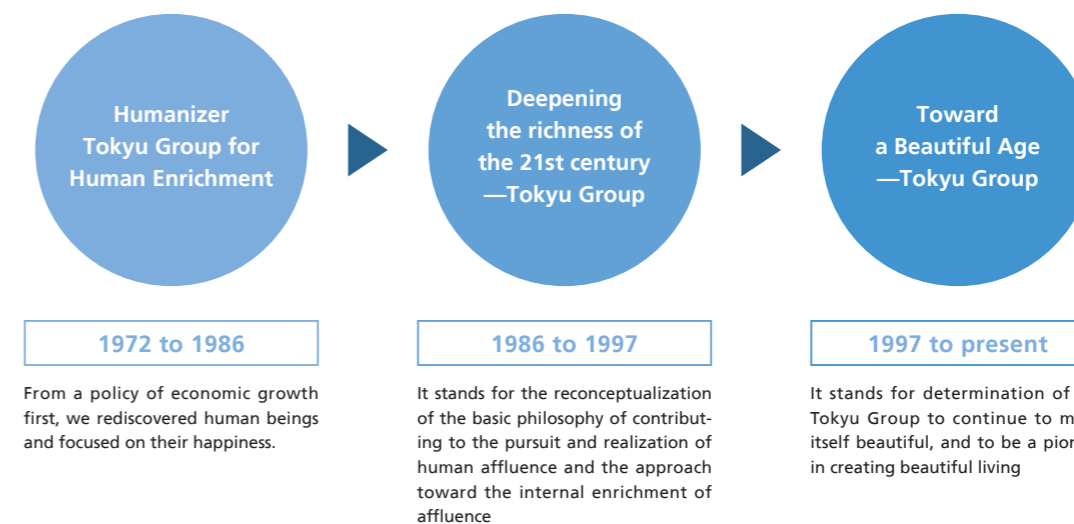
Konaga One of the important themes is to become carbon neutral in 2050. The Japanese government has announced that it will reduce CO₂ emissions by 46% by 2030 compared to 2013 levels. We have also set a goal of reducing our CO₂ emissions to practically zero by 2050, and we must make concrete efforts to achieve this major goal. The second point is digitalization. We need to create a framework for listening to the opinions of external experts and proactively work toward this goal based on a long-term perspective.

Shimizu Carbon-neutral transformation is something that each and every employee must be aware of and work towards. I would like to see Tokyu as a corporate group that strengthens its unity.

Miyazaki I believe that the powerful human appeal of the people who have been with Tokyu over its nearly 100-year history has made the company attractive. Looking ahead, I believe that the appeal of our company will be created by the appeal of each and every employee. I believe that the accumulation of how to live a cool life will create a beautiful era. For example, in the 20th century, it was cool to drive your own car, but now, due to efforts to decarbonize and address environmental issues, people are using public transportation instead of owning car, and with the COVID-19 pandemic, communication is changing to refrain from traveling itself. In this way, just as the definition of what is cool differs depending on the generation and the era, the reality that we can see changes depending on how we read the data when we analyze big data and formulate various strategies. This is where your sense comes into play. I believe that each and every one of our employees has a sense of pride and coolness as a "Tokyu person," and that is what makes us attractive as an organization.

Nomoto This is exactly the kind of sustainable human resource development that you are talking about. I feel that it will be important in the future to promote not only urban and community development, but also the two other aspects of sustainability: corporate development and human resource development. I am convinced that the active opinions and suggestions from outside directors will continue to provide us with new perspectives and promote the enhancement of corporate value. Thank you very much.

▶ Changes in the Group Slogan



Operating Results

—Analysis of financial position, results of operations, and cash flows

Overview of FY2020

▶ Financial Results

	(Unit: billion yen)		
	FY2020	FY2019	Change
Operating revenue	935.9	1,164.2	-228.3 (-19.6%)
Operating profit	-31.6	68.7	-100.4 (-)
Non-operating profit	18.2	16.3	+1.8 (+11.3%)
Non-operating expenses	13.4	14.2	-0.8 (-5.8%)
Recurring profit	-26.8	70.9	-97.7 (-)
Extraordinary gains	194	11.9	+7.5 (+62.8%)
Extraordinary losses	48.3	17.1	+31.2 (+182.5%)
Income before income taxes and minority interests	-55.7	65.7	-121.4 (-)
Net income	-58.2	43.9	-102.2 (-)
Profit attributable to owners of parent	-56.2	42.3	-98.6 (-)
Comprehensive income	-45.0	35.1	-80.2 (-)
TOKYU EBITDA	74.7	176.5	-101.8 (-57.7%)

▶ Financial Results by Segment

		(Unit: billion yen)			
		FY2020	FY2019	Change	
Operating revenue Total		935.9	1,164.2	-228.3 (-19.6%)	
Operating profit Total		-31.6	68.7	-100.4 (-)	
Transportation	Operating revenue	151.9	213.6	-61.6 (-28.9%)	
	Operating profit	-26.0	27.0	-53.0 (-)	
Real Estate	Operating revenue	197.6	210.1	-12.5 (-6.0%)	
	Operating profit	28.9	29.0	-0 (-0.1%)	
Life Services	Operating revenue	Life Services total	603.5	707.9	-104.3 (-14.7%)
		Retail	413.2	482.6	-69.4 (-14.4%)
		ICT and Media	190.3	225.3	-34.9 (-15.5%)
	Operating profit	Life Services total	-3.8	13.4	-17.2 (-)
		Retail	-3.8	4.2	-8.1 (-)
		ICT and Media	-0	9.1	-9.1 (-)
Hotel and Resort	Operating revenue	37.8	96.1	-58.2 (-60.6%)	
	Operating profit	-31.2	-1.4	-29.7 (-)	
Elimination, etc.	Operating revenue	-55.1	-63.7	+8.5	
	Operating profit	0.4	0.8	-0.3	

▶ Major Impact of the Spread of COVID-19

Tokyu Railways number of transported persons compared to FY2018:	-32.2%	Tokyu Hotels occupancy rate compared with FY2018:	-52.1 points
Tokyu Bus number of transported persons compared to FY2018:	-29.7%	Tokyu Department Store net sales (existing stores) compared with FY2019 (January closing):	-25.3%

○ Financial results

In the fiscal year under review, which was affected by the spread of COVID-19, operating revenue was 935.9 billion yen, a decrease in revenue in all segments, and a total decrease of 19.6% from the previous fiscal year. Operating loss was 31.6 billion yen, compared with operating profit of 68.7 billion yen in the same period of the previous fiscal year. Despite efforts to reduce fixed costs in response to the significant decline in operating revenues, as well as efforts to thoroughly cut operating expenses as an emergency measure, the significant impact of the decline in revenues resulted in a significant decrease in profits compared with the previous fiscal year. By segment, the Transportation Segment, which was affected by the voluntary curtailment of outings and telework, and the Hotels and Resorts Segment, which was affected by the disappearance of inbound demand, saw significant decreases in both sales and profits from the previous fiscal year. However, in the Real Estate Segment, operating profit was almost the same as the previous year due to the sale of properties and cost reduction in our real estate sales business. Net loss attributable to owners of the parent was 56.2 billion yen, compared with profit attributable to owners of the parent of 42.3 billion yen in the same period of the previous fiscal year, due to impairment losses of 26.8 billion yen mainly in the businesses affected by COVID-19.

▶ Financial Position

	(Unit: billion yen)		
	FY2020	FY2019	YOY change
Total assets	2,476.0	2,537.1	-61.1
Interest-bearing debt	1,182.1	1,151.0	31.1
Net assets	752.5	809.6	-57.0
Shareholders' equity	702.3	757.0	-54.6
Equity ratio	28.4%	29.8%	-1.4p
D/E ratio (times)	1.7	1.5	+0.2p

▶ Cash Flows

	(Unit: billion yen)		
	FY2020 results	FY2019 results	Change
Cash flows from operating activities	85.8	155.3	-69.4
Cash flows from investing activities	-115.1	-190.6	+75.4
Of which, capital expenditure	-113.2	-200.2	+87.0
Of which, proceeds from contributions received for construction	8.3	12.5	-4.1
Free cash flow	-29.3	-35.3	+6.0
Cash flows from financial activities	17.1	59.6	-42.4
Of which, interest-bearing debt	31.1	84.3	-53.1
Of which, dividends paid	-12.7	-23.5	+10.7
Cash and cash equivalents at end of period	45.2	57.5	-12.2

▶ Key Indicators

	(Unit: billion yen)		
	FY2020	FY2019	Change
TOKYU EBITDA	74.7	176.5	-101.8
Operating profit	-31.6	68.7	-100.4
Interest-bearing debt / TOKYU EBITDA (times)	15.8	6.5	+9.3

○ Financial position

Total assets at the end of the fiscal year under review were 2,476.0 billion yen (down 61.1 billion yen from the end of the previous fiscal year), mainly due to a decrease in notes and accounts receivable-trade. Net assets were 752.5 billion yen (down 57.0 billion yen from the end of the previous fiscal year) due to the net loss attributable to owners of the parent and other factors. The equity ratio was 28.4% (down 1.4 percentage points from the end of the previous fiscal year).

○ Cash flows

Cash flow from operating activities amounted to 85.8 billion yen, a decrease of 69.4 billion yen from the previous fiscal year, mainly due to the recording of loss before income taxes and minority interests. Cash flows from investing activities were 115.1 billion yen, a decrease of 75.4 billion yen from the previous fiscal year, mainly due to a decrease in expenditures for the acquisition of fixed assets. Net cash provided by financing activities was 17.1 billion yen, mainly due to the procurement of funds through borrowings and the issuance of bonds.

As a result of the above, the balance of cash and cash equivalents at the end of the fiscal year was 45.2 billion yen, a decrease of 12.2 billion yen from the previous fiscal year.

○ Key indicators

Although operating profit and TOKYU EBITDA declined substantially due to the worsening business environment, we worked to ensure financial health by maintaining interest-bearing debt at roughly the same level as at the end of the previous fiscal year by implementing urgent reductions in operating expenses and capital expenditures and securing funds.

Plan for New Facilities

○ FY2021 Tokyu Railways business capital expenditure plan

Planned investment amount: 43.5 billion yen

Major investments:

Introduction of nine new Den-en-toshi Line 2020 Series trains (90 cars), reinforcement of slopes to prevent landslides, renewal of train operation management system, and various construction work in preparation for the opening of the Tokyu Shin-Yokohama Line (scheduled for use in FY2022)

○ Other plans

- Shinjuku Kabukicho 1-chome Redevelopment Project
Total planned investment: 75 billion yen
(Of which, amount already paid: 7.3 billion yen)
Scheduled completion: FY2022
- Shibuya 2-Chome 17 District Category 1 Urban Redevelopment Project
Total planned investment: 8,638 million yen
(Of which, amount already paid: 421 million yen)
Scheduled completion: May 2024

Financial and Non-Financial Highlights

For detailed non-financial data, please see the following.
 • Environmental data collection: <https://tokyu.disclosure.site/ja/119/>
 • Data on human resources: <https://tokyu.disclosure.site/ja/133/>

▶ 11-Year Financial Data

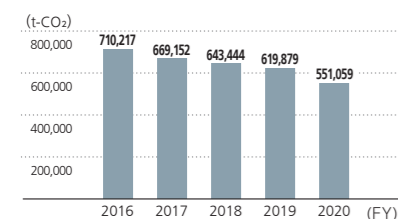
(Unit: million yen)

	142nd term FY2010	143rd term FY2011	144th term FY2012	145th term FY2013	146th term FY2014	147th term FY2015	148th term FY2016	149th term FY2017	150th term FY2018	151st term FY2019	152nd term FY2020
Results											
Operating revenue (million yen)	1,152,125	1,094,209	1,068,046	1,083,070	1,067,094	1,091,455	1,117,351	1,138,612	1,157,440	1,164,243	935,927
Operating profit (million yen)	57,119	55,032	55,742	62,190	71,514	75,480	77,974	82,918	81,971	68,760	-31,658
Recurring profit (million yen)	52,873	54,068	56,279	62,618	66,619	70,038	76,449	83,746	81,907	70,925	-26,824
Profit attributable to owners of parent (million yen)	40,051	35,922	43,075	56,498	41,051	55,248	67,289	70,095	57,824	42,386	-56,229
Profitability Indicators											
TOKYU EBITDA (million yen)*1	138,406	147,603	149,624	148,803	151,549	163,655	174,312	174,965	176,693	176,584	74,742
TOKYU EBITDA margin (%)*2	12.0	13.5	14.0	13.7	14.2	15.0	15.6	15.4	15.3	15.2	8.0
ROA (Return on assets) (%)*3	2.7	2.7	2.9	3.1	3.3	3.4	3.6	3.8	3.5	2.9	-1.1
ROE (Return on equity) (%)*4	10.3	8.6	9.5	11.4	7.7	9.8	11.2	10.6	8.0	5.6	-7.7
Safety Indicators											
Interest-bearing debt / TOKYU EBITDA multiple (times)*5	—	—	—	—	—	5.7	5.5	5.5	6.0	6.5	15.8
D/E ratio (interest-bearing debt ratio) (times)*6	2.6	2.4	2.1	1.9	1.7	1.6	1.5	1.4	1.4	1.5	1.7
Equity ratio (%)	20.6	21.7	24.2	25.3	27.5	27.6	29.2	30.8	30.9	29.8	28.4
Balance-sheet Indicators											
Net assets (million yen)	416,565	441,920	499,545	537,711	579,596	623,297	678,382	747,049	796,164	809,614	752,538
Shareholders' equity (million yen)	402,843	431,043	476,174	511,789	551,332	576,873	628,308	696,526	745,233	757,003	702,355
Total assets (million yen)	1,955,077	1,984,591	1,964,476	2,021,794	2,002,532	2,092,546	2,148,605	2,264,636	2,412,876	2,537,196	2,476,061
Cash-flow Indicators											
Interest-bearing debt at end of term (million yen)	1,041,345	1,036,015	999,567	990,038	911,446	937,467	964,397	969,794	1,066,422	1,151,010	1,182,195
Free cash flow (million yen)*7	263	18,542	31,804	50,573	88,729	8,009	-5,954	7,179	-86,662	-35,338	-29,305
Capital expenditure (million yen)	142,953	132,028	128,737	140,231	93,556	157,252	145,398	181,265	239,945	205,290	106,385
Depreciation (million yen)	71,491	72,788	74,916	72,762	70,041	72,391	76,986	74,901	78,613	85,448	88,308
Investment Indicators											
Dividend per share (yen)*8	6.50	6.50	7.00	7.50	8.00	8.50	9.00	19.00	20.00	23.00	15.00
EPS (Earnings per share) (yen)*9	32.05	28.68	34.33	44.96	32.88	44.81	55.01	115.42	95.14	69.88	-93.08
Dividend payout ratio (%)	20.3	22.7	20.4	16.7	24.3	19.0	16.4	16.5	21.0	32.9	—
Total return ratio (%)	20.3	22.7	20.4	16.7	48.7	37.1	31.2	16.5	21.0	56.5	—
Reference: Number of Employees at End of Term											
Total (people)	23,698	23,104	21,172	21,370	21,499	22,331	22,780	22,985	23,637	24,464	24,655

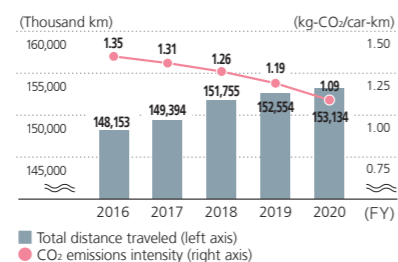
*1 TOKYU EBITDA = Operating profit + Depreciation + Amortization of goodwill + Disposal cost of fixed assets + Interest and dividend income + Investment gains (loss) from equity method
 Until FY2014, TOKYU EBITDA = Operating profit + Depreciation + Amortization of goodwill + Disposal cost of fixed assets
 *2 TOKYU EBITDA margin = TOKYU EBITDA / Operating revenue *3 ROA = Recurring profit / Total assets (average for term) × 100
 *4 ROE = Profit attributable to owners of parent / Shareholders' equity (average for term) × 100

*5 Interest-bearing debt / TOKYU EBITDA multiple = Interest-bearing debt (at end of term) / TOKYU EBITDA *6 D/E ratio = Interest-bearing debt (at end of term) / Shareholders' equity (at end of term)
 *7 Free cash flow = Cash flows from operating activities + Cash flows from investing activities
 *8 On August 1, 2017, the Company conducted a reverse stock split (every two common shares were merged into one).
 *9 EPS = Profit attributable to owners of parent / Number of shares issued (average for term)

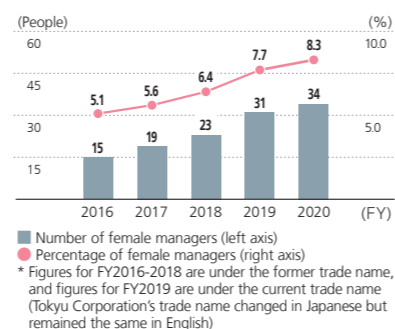
▶ CO₂ Emissions



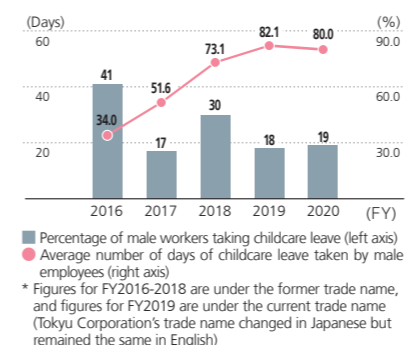
▶ Distance Traveled in the Railway Business (Tokyu Lines) and CO₂ Emissions Intensity



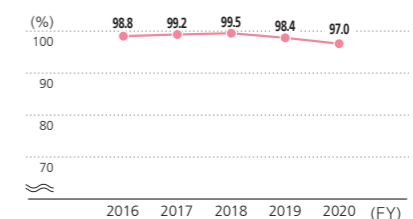
▶ Number / Percentage of Female Managers



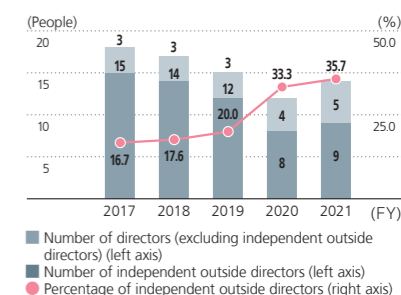
▶ Percentage of Male Workers Taking Childcare Leave and Average Number of Days Taken



▶ Attendance of Directors at Board of Directors Meetings (average)



▶ Composition of Board of Directors



Major Affiliates (As of March 31, 2021)

Consolidated Subsidiaries

	Location	Principal business	Ownership of voting rights (%)
Transportation Infrastructure Business (Transportation Segment)			
Tokyu Railways Co., Ltd.	Japan	Railway business	100.0
Izukyu Corporation	Japan	Railway business	100.0
Uedadentetsu Co.,Ltd.	Japan	Railway business, real estate leasing business	100.0
Tokyu Bus Corporation	Japan	Automotive transportation business	100.0
Jotetsu Corporation	Japan	Bus business, real estate business	68.9
Sendai International Airport Co., Ltd.	Japan	Airport management	43.0
Tokyu Techno System Co., Ltd.	Japan	Maintenance and remodeling of railway carriages and buses, etc.	100.0
Urban Development Business (Real Estate Segment)			
Tokyu Facility Service Co., Ltd.*1	Japan	Comprehensive management of buildings and structures	100.0
Tokyu Geox Co., Ltd.	Japan	Sale of gravel, sand, crushed stone and nonmetallic ore	89.6
Yanchep Sun City Pty Ltd	Australia	Residential land development business, land management business	100.0
St Andrews Private Estate Pty Ltd	Australia	Urban development business	100.0
Becamex Tokyu Co., Ltd.	Vietnam	Real estate development business, real estate sales business, real estate leasing business	65.0
Lifestyle Service and Retail Business (Life Services Segment)			
Tokyu Department Store Co., Ltd.	Japan	Department store operations	100.0
Nagano Tokyu Department Store Co., Ltd.	Japan	Department store operations	57.9 ²
Tokyu Store Chain Co., Ltd.	Japan	General retailing chain store operations	100.0
Tokyu Malls Development Corporation	Japan	SC planning, development and management business	100.0
Tokyu Card, Inc.	Japan	Credit card operations	100.0
Tokyu Station Retail Service	Japan	Management of station kiosks	100.0
Tokyu Recreation Co., Ltd.	Japan	Video, sporting leisure, real estate leasing business	50.3
its communications Inc.	Japan	Cable television (broadcasting, communications), smart home business	100.0
Tokyu Security Co., Ltd.	Japan	Mechanical security, facilities security, and patrol security services	100.0
Tokyu Agency Inc.	Japan	Advertising agency services	99.0
Tokyu Power Supply Co., Ltd.	Japan	Electricity retailing, gas agency operations	66.7
Hospitality Business (Hotel and Resort Segment)			
Tokyu Hotels Co., Ltd.	Japan	Hotel management and commissioned hotel management	100.0
Tokyu Linen Supply Co., Ltd.	Japan	Manufacture, leasing, sale and laundry of various textile goods, etc.	100.0
Three Hundred Club Co., Ltd.	Japan	Golf course operations	99.2

*1 Tokyu Facility Service Co., Ltd. changed its name to Tokyu Property Management Co., Ltd. on April 1, 2021.
*2 Nagano Tokyu Department Store became a wholly owned subsidiary of the Company as of June 1, 2021.

Equity-method Affiliates

	Location	Principal business	Ownership of voting rights (%)
Tokyu Fudosan Holdings Corporation	Japan	Group business management operations (Tokyu Fudosan Holdings Group)	16.1
Tokyu Land Corporation	Japan	Urban business, housing business, wellness business, next-generation and related businesses	—
Tokyu Community Corp.	Japan	Support services for apartment living, building management business	—
Tokyu Livable, Inc.	Japan	Property brokerage business, new construction sales agency business, real estate sales business	—
Tokyu Construction Co., Ltd.	Japan	Contracting of civil engineering and construction work	15.3
Seikitokyu Kogyo Co., Ltd.	Japan	Road construction business, manufacture and sale of road materials	4.0

Company Profile / Stock Information (as of March 31, 2021)

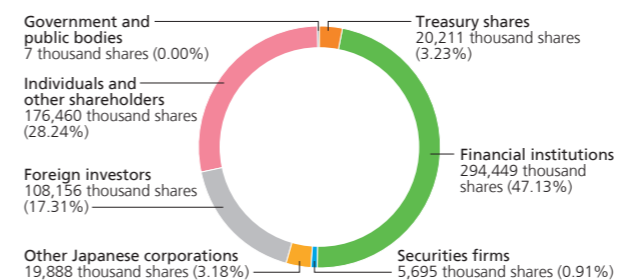
Company Profile

Trade name	TOKYU CORPORATION
Established	September 2, 1922
Head office	5-6 Namepeidai-cho, Shibuya-ku, Tokyo 150-8511
Representative	Kazuo Takahashi
Paid in capital	121,724,000,000 yen
Number of employees	1,461
Business	Transportation business, real estate business, etc.
Listed exchange	Tokyo Stock Exchange (First Section)
Accounting auditor	Ernst & Young ShinNihon LLC

Stock and Shareholder Status

Type of stock issued	Common stock
Authorized shares	900,000,000 shares
Issued shares	624,869,876 shares
Number of shareholders	99,096

► Distribution by Shareholder



Major Shareholders

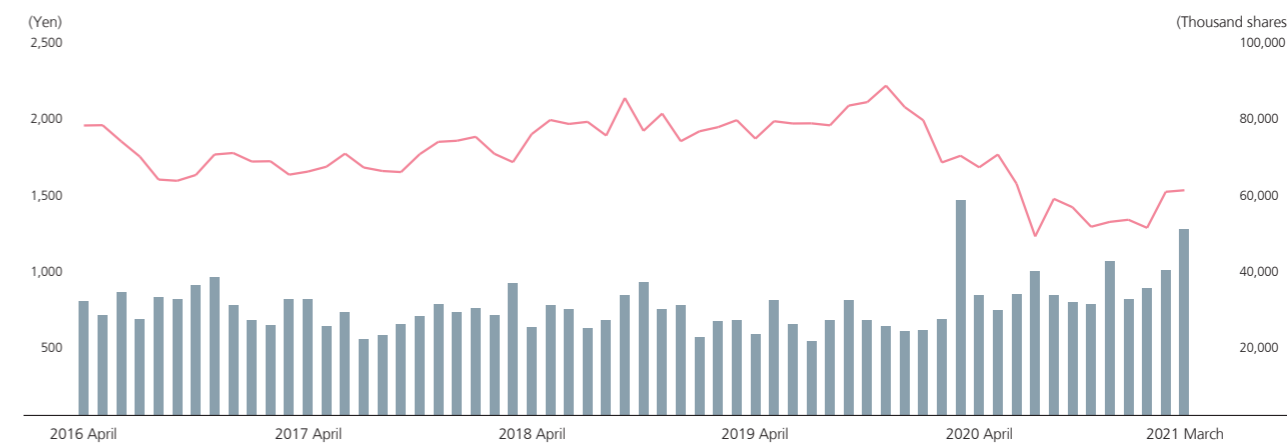
Name of shareholders	Number of shares held (thousand shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	48,611	8.04
The Dai-ichi Life Insurance Company, Limited	33,572	5.55
Custody Bank of Japan, Ltd. (Trust Account)	26,093	4.32
Nippon Life Insurance Company	23,527	3.89
Sumitomo Mitsui Trust Bank, Limited	22,395	3.70
Mizuho Bank, Ltd.	9,906	1.64
Taiyo Life Insurance Company	9,566	1.58
Mitsubishi UFJ Trust and Banking Corporation	9,393	1.55
MUFG Bank, Ltd.	8,951	1.48
Custody Bank of Japan, Ltd. (Trust Account 7)	8,378	1.39

(Notes) 1. The table shows the top 10 shareholders in terms of shareholding. The shareholding ratio is calculated based on the total number of shares issued excluding treasury stock.
2. The Company holds 20,211 thousand shares of treasury stock, but is excluded from the above list of major shareholders.
3. Japan Trustee Services Bank, Ltd. changed its name to Japan Custody Bank, Ltd. on July 27, 2020.

Inclusion in Indices, etc. (as of July 2021)

- Nikkei Stock Average (Nikkei 225)
- TOPIX 500 Index (Tokyo Stock Exchange)
- JPX-Nikkei Index 400
- MSCI World ESG Leaders Index
- MSCI Japan ESG Select Leaders Index
- MSCI Japan Empowering Women Index (WIN)
- S&P/JPX Carbon Efficient Index
- SOMPO Sustainability Index

Stock Price and Volume



* Figures adjusted to reflect a reverse stock split effective as of August 1, 2017